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EBRUARY 1975
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ECONOMICS, POLITICS, AND FREEDOM
AN INTERVIEW WITH
F. A. HAYEK

A CIVIL LIBERTARIAN LOOKS AT THE S.E.C.
BY MONROE H. FREEDMAN

THE FAILURE OF THE NEW DEAL COALITION
BY JEROME TUCCILLE

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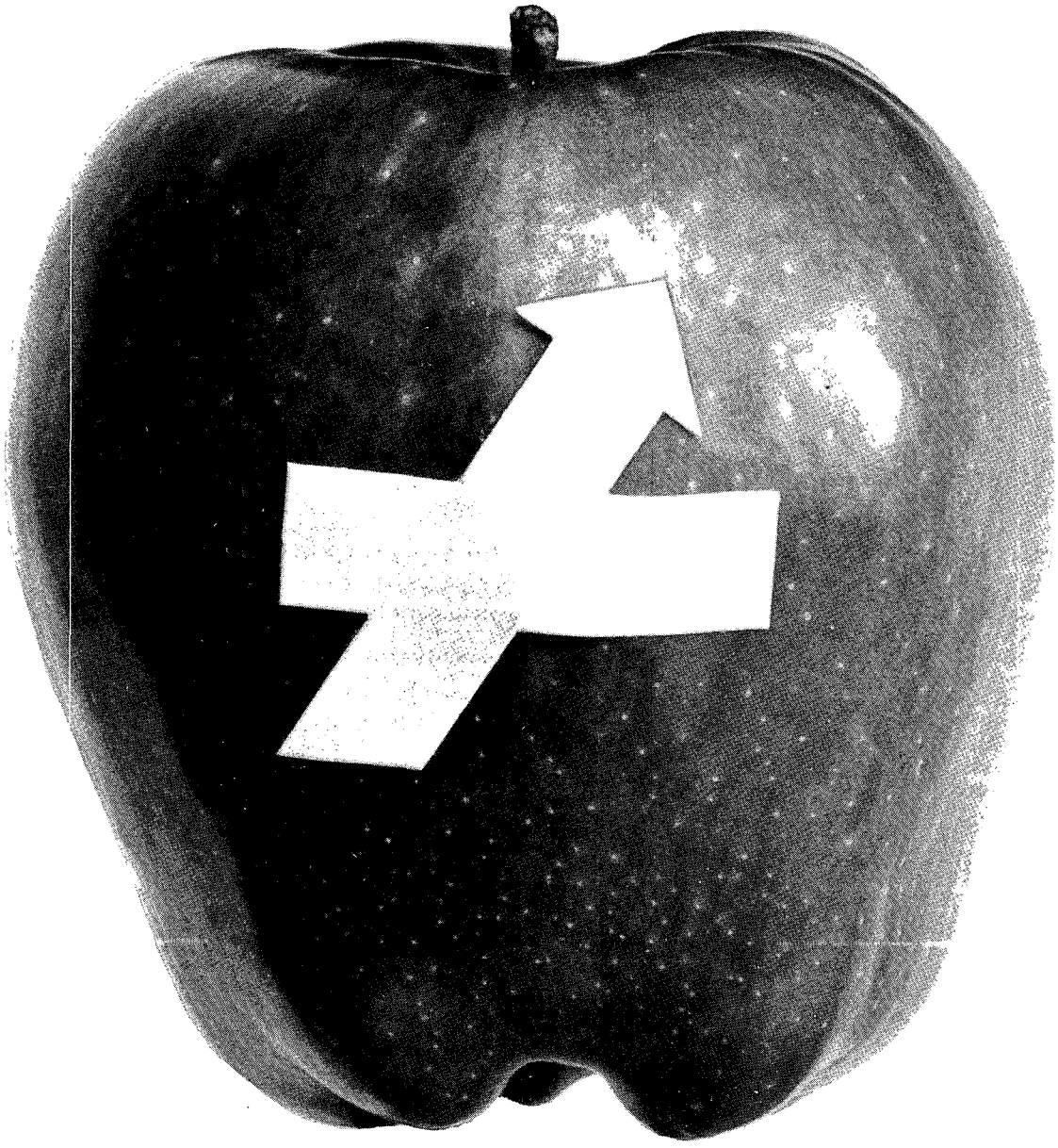

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ECONOMICS, POLITICS & FRI

An Interview with F A Hayek

Late last fall the Nobel committee awarded one of the two 1974 Nobel Prizes in Economic Science to Friedrich A. von Hayek. Unfortunately, the publicity in the liberal press concerning the simultaneous Nobel award to socialist Gunnar Myrdal tended to obscure recognition of the significance of the award to Hayek. For those in the know, however, the award was a long-overdue acknowledgement of the achievements of the man who is, in Murray Rothbard's words, "the world's most eminent free-market economist and advocate of the free society."

Hayek was born in Austria in 1899. At the University of Vienna he received doctorates in both law and political science, and soon became the first director of the Austrian Institute of Economic Research. It was during those years (the 1920's) that Hayek developed the "Austrian" theory of the business cycle, building on work by Ludwig von Mises. Using this theory, Hayek and Mises predicted the crash of 1929 and the subsequent Great Depression. The business cycle theory was formally set forth in Hayek's Prices and Production *(1931) and* Monetary Theory and the Trade Cycle *(1933).*

From 1931 through 1949 Hayek represented the classical liberal (free market) viewpoint as professor at the London School of Economics. While there he wrote The Road to Serfdom *(1944), probably his most famous book. This brilliant, popularly-written study shows how central planning leads to totalitarian control; its logical arguments and empirical evidence impressed even John Maynard Keynes, who wrote of the book, "Morally and philosophically, I find myself in agreement with virtually the whole of it, and not only in agreement, but deeply moved by it."*

In 1950 Hayek accepted a position as Professor of Social and Moral Sciences at the University of Chicago. During this period he produced such major works as The Counter-Revolution of Science *and* The Constitution of Liberty, *and edited* Capitalism and the Historians. *Although he returned to Europe in the 1960's to teach economics at the Albert-Ludwigs-Universitat of Freiburg, he remains Professor Emeritus at Chicago and a Fellow of the British Academy. He is currently Visiting Professor of Economics at the University of Salzburg. At age 75 Hayek is still actively thinking and writing. In 1973 the first volume of his major three-volume treatise on the free society,* Law, Legislation, and Liberty, *was published. (Volume I covers "Rules and Order," and drafts of Volume II, "The Mirage of Social Justice," and III, "The Political Order of a Free Society," are already in existence.) Among Hayek's other works are* Individualism and Economic Order, John Stuart Mill and Harriet Taylor, The Pure Theory of Capital, The Sensory Order, *and* Studies in Philosophy, Politics, and Economics.

In addition to his teaching and writings, one of Hayek's other main contributions to the cause of liberty was the creation, after World War II, of the Mont Pelerin Society. This international organization consists of scholars in all the humane studies who are dedicated to the principles of political and economic freedom. Its primary purpose is to keep such people in touch with one another for mutual interchange of ideas, via meetings and exchange of papers.

Last summer Senior Editor Tibor Machan visited Hayek at his home in Salzburg, Austria. Their conversation ranged over a variety of subjects, from epistemology to political philosophy to psychology, focusing especially on Hayek's ideas of a natural evolution towards a free society, in the absence of government action to prevent it, and his concept of the "spontaneous order" produced by the market, in contrast to centrally-planned order.

REASON is proud to present the highlights of this conversation, to give our readers a better appreciation of one of the intellectual giants of our time.

REASON: Dr. Hayek, your book, *The Road to Serfdom* predicted serious problems for England and America should these follow the policies of welfare statism—how do you see it now?

HAYEK: Well, now, I don't think I have anything to retract. Perhaps I did see the danger nearer, but it is a common experience that these tendencies take a long time to work themselves out; on the whole, though, the world is following the path I was afraid it would.

DOM

Photos by Marty Zupan

In a way the thing has become more serious just now because we are now being driven into a planned society by inflation.

REASON: Do you see any serious differences between movement toward what might be called a Marxist socialist society and toward a non-Marxist socialist society in the West?

HAYEK: The use of "Marxist" in this connection is rather misleading because Marx never really had a program for the future socialist society. Most people who follow his philosophy have committed themselves to a centrally planned system and have started out with a radical reorganization of society. But basically I don't think there is much difference between the traditional continental socialism and what you call Marxist socialism. Except of course that in recent times the Western socialists have discovered that many of the aims of socialism can be achieved by distributing income via taxation and have therefore shelved a great deal of their programs of socialization or nationalization. To that extent there is a difference.

REASON: Do you find the totalitarian or repressive aspects of the communist bloc or socialist societies an integral part of socialism, or can socialism emerge and sustain itself with reasonable success without these measures?

HAYEK: It could maintain itself but it's not likely to escape that development because I'm sure a totalitarian socialism is incompatible with a really democratic system. Once you have abandoned democracy, any authoritarian government in power will be driven, just to maintain itself, to take all kinds of repressive measures, even if it doesn't intend to do so from the beginning.

REASON: Would you say, then, that a traditional relatively open society such as Austria will experience this kind of repression in the future if it continues with its socialistic economic policy?

HAYEK: If it carried its socialistic economic policy very much further! But I don't think this is very likely; Austria will not adopt a policy of socialization of industries. I think the Austrian way is much the same as the Swedish and the Norwegian. These do not rely so much on the direct control of industry but on the redistribution of income by taxation and similar means. That need not degenerate into a completely authoritarian system. The danger always exists because such a process can be run efficiently only within an authoritarian system.

REASON: Would you say that, in this connection, Ludwig von Mises' analysis to the effect that a mixed economy *must* degenerate into a fully planned economy is not entirely correct?

HAYEK: Mises was a little careless in the use of the term "must." What he meant to say is that *if* these aims are persistently pursued, it would necessarily have that consequence. If you argued with him he would not have denied that of course it is possible to avoid this if you do not consistently pursue the ends.

REASON: Do you think in general Professor von Mises' analysis of the impossibility of economic calculation under the principles of a planned economy has been borne out in practice?

HAYEK: Yes. Very definitely, yes.

REASON: Do such places as the communist countries rely very heavily on the free world's economies to rationally allocate their resources, to calculate prices, and so forth?

HAYEK: They rely on the free world very largely for technological knowledge. Because for their allocation

they cannot, and they haven't solved the problem in the least, and the actual waste of resources due to lack of rational calculation is enormous.

REASON: Between the conditions in Austria and Hungary there is an enormous difference in workmanship, the quality of housing, of roads, of manufacture. Budapest is an extremely dirty and neglected place, although it has the potential of being an incredibly beautiful city. From your knowledge, is this a function of politics, or is it more a function of general culture and the non-political aspects of the country?

HAYEK: I'm convinced it's entirely a function of the economic system and I've been confirmed on this. At a time when it was still easily possible to move from West Berlin into East Berlin, we would have the evidence of the difference between the two sides of the border, sometimes on the two sides of the same street.

REASON: Let me turn now to another issue—the organization that you've been involved with, and you were the founder of—the Mont Pelerin Society. Do you find it an effective organization for the purpose for which it was designed?

HAYEK: For the purpose that it was designed for, very much. But many people believe it was intended as a propaganda society, which it never was. It was intended to provide for its members an opportunity to clear their own minds on problems they haven't themselves intensively studied. Each of us is a specialist and we want to be able to talk to specialists in the related subjects who are approaching the problems from the same general point of view. It has been a discussion society and not a propaganda society and as such I think it has been extraordinarily beneficial. Considering what I myself have learned in the discussions with my fellow members I must be most grateful for the opportunities it has given me.

REASON: In recent meetings, it has been observed that there has been a mixture of so-called purists and not-so-purists concerning a commitment to the principles of the free market. Would you agree with this observation?

HAYEK: Of course, it has shades of difference, and probably even extreme wings, and perhaps we have even made one or two mistakes in electing particular people. But on the whole, there is fair unanimity on the basic philosophy. Most disagreements are legitimate and occur on points where one can differ on what way exactly to draw the line.

REASON: Do you yourself believe the organization should get larger? That is, does it aim for large membership or is it pretty much a given number with a very restricted and limited membership?

HAYEK: That's a very serious dilemma and I don't quite know what the answer is. It did owe its effectiveness mainly to the fact that it was small. It now mainly serves the interests of people from overseas countries who have little opportunity to discuss their problems with people of similar convictions. And there are so many people who would benefit from being admitted into the discussion that expansion is very difficult to resist. At the same time, the expansion of the society has made it a much less interesting place than it used to be when it was small.

"In recent times the Western socialists have discovered that many of the aims of socialism can be achieved by distributing income via taxation."

REASON: Concerning your own development, it's been quite evident that in recent years you've dealt more and more with philosophy, law, even sociology instead of technical economics. What are the reasons for this change of your focus of attention?

HAYEK: The main reason is that I've come to the conclusion that the actual differences on solution of practical problems are much less due to differences in technical economics than in basic philosophy. In fact, even with people with whom I agree on technical economics I find that I *often* disagree on practical issues of policy. So the issues need to be considered at different levels.

REASON: As you know there is in America a small faction of Austrian economists who do disagree with most other economists on technical issues. Do you think the Austrian approach in economics will be renewed?

HAYEK: One would have to define "Austrian" in a very wide sense to regard that as a possibility. But in a way when people defend microeconomics against macroeconomics, this could be called Austrian economics. In this wide sense, revival or renewal of the influence of the quasi-Austrian school would be very desirable and I hope will be forthcoming. In the narrow sense, the specific Austrian tradition has on the whole merged with the Laussanne and the Cambridge tradition to become part of what is called neoclassical economics. What we can hope for is just that this neoclassical tradition again becomes influential, not its specific Austrian branch which constitutes

a particular phase in the neoclassical development.

REASON: I am curious what you might think about something Milton Friedman told us in a recent interview. Dr. Friedman maintains that economics is as much a science as any other, even hard or natural, science. Would you comment?

HAYEK: I agree with him to some extent. I shall qualify this by pointing out that as the degree of complexity of the phenomena increases, what science can do is more and more limited. In economics, and the social sciences generally, you deal with a field where on the one hand we cannot apply the method of physics and the mechanical sciences because the number of determining factors is too large, and on the other hand the numbers are not yet large enough to rely on statistics and probabilities. The intermediate field, between where we can master all the individual events and where we can deal with the probabilities of large numbers, is a field where the capacity to predict is necessarily limited. This is not because our theories are inadequate but because it becomes practically impossible to ascertain all the factual data which would have to be introduced into the theory to arrive at specific predictions. That's one reason I was led to the study of the problems of scientific methods and philosophy generally. I have done an essay on the theory of complex phenomenon which deals with that very problem. But it would not be possible to treat these issues here, of course.

REASON: That's true, but I would like to take up one point. Your answer has the underlying premise that the difference is only one of complexity and not one of *type.* There is now a resurgence of an argument to the effect that when we reach the social sciences we have a *type* difference of the sort that renders *science* itself inadequate or inapplicable in this area. Perhaps the subject matter of economics is such that by its very nature it defies treatment scientifically. Have you come across this type of view?

HAYEK: Yes, of course. But it's an exceedingly confused discussion which is going on about this problem. It depends on what is meant by a type difference. I would admit and even emphasize that the nature of observation is different when we deal with human action from what it is when dealing with phenomena not human. We constantly *interpret* what constitutes human action on the basis of our knowledge of how the human mind works, which makes our whole perception of man acting different in character from our perception of physical events. In that sense the data from which we have to start in the social sciences are different from the data from which we start in the physical sciences. But the next step becomes the same. Once we have assembled the data, I don't think the construction of theories is essentially different from the physical sciences. It's a point on which I am now almost entirely accepting the recent argument of Karl Popper. I agree entirely with him particularly since he has taught me that what earlier physical scientists claimed to be their method really was in fact not what they did.

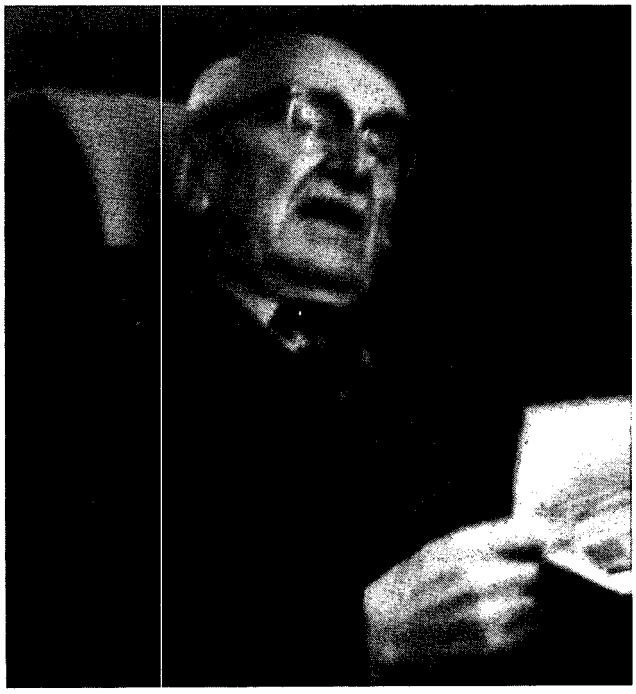
"Society rests to a large extent on structures which have not been deliberately designed, but which have grown up spontaneously."

REASON: It has been held that Popper is more relativistic than even he admits. That is, he is charged with holding that scientific theories have philosophical presuppositions built into them and that the emerging scientific conclusions have a "coloration" that is more philosophical than scientific. At least there are passages in Popper where he is very close to Thomas Kuhn. I was wondering whether you go so far as to say that the sciences, especially the social sciences, are so philosophically tainted that eventually we may have to give them all up in favor of a newer perspective once the dominant philosophical theories change?

HAYEK: Not at all, but there is a conclusion that I *would* draw. I think it is quite possible that we may recognize that the utility and power of the social

sciences is more limited than we had thought. But they would still remain the best we have. I don't think it means we can abandon them for something else. We haven't got anything else.

REASON: Would you contend that when a social scientist, say the best there can be right now, maintains that something is a fact of human life, of human social life, that there is an objective status to this fact, independent of our present point of view, our beliefs, about ourselves? Are there such facts that could have an integrity for all time?



HAYEK: I am sure there are some facts in this sense which must be facts for all human beings with whom we can communicate, whose structure of mind is sufficiently similar to our own so that some intercommunication is possible. It may well be that there are other things which *appear* as facts or are only that subjectively, for a more limited circle who have more in common than merely that minimum which is required in order to be able to communicate at all. And it may well be that there are certain things which are facts only *to* people who make very specific presuppositions which you can actually point out. But there is an irreducible basis of facts which must be facts for all the people with whom we can communicate at all. This seems to be certain.

REASON: There are a number of philosophical inquiries in the 20th Century for which this topic is central. Post-Kantian philosophy has been tremendously concerned with this issue. One of the major influences in America has been Ludwig Wittgenstein who of course himself is an Austrian. Have you had any thoughts on Wittgenstein, to whom there are some references in your book?

HAYEK: You probably know that Wittgenstein was a distant cousin of mine. I never knew him well, but probably knew him over a longer period than any other person now living. He was ten years my senior. My earliest recollection of him was in 1917 and I had since seen him off and on on various occasions and have read his two main works very closely. All the other material which has been published from his manuscripts I haven't. I don't think, frankly, that Wittgenstein's work is very relevant to the social sciences. I'm not even sure whether the work produced during a certain phase of his life is anything as important as his present disciples make out. They're very suggestive, deal with interesting problems, but I at least didn't derive much benefit from studying them.

REASON: I would like to ask you about your critique of rationalism. In your critique you seem to have opted for a Humian alternative, rather than an Aristotelian version of reason. Is this because of Hume's politics or is it much more fundamental?

HAYEK: I think the basic thing is Hume's general interpretation of society and human life. Hume has come closer to a critique of rationalism than any other author I knew. Again and again I've found in Hume statements of ideas which I had already independently arrived at. I am impressed especially with Hume's account of the formation of social institutions of all kinds.

REASON: I was wondering whether in your interpretation of Hume's critique of rationalism you find it necessary to then take up his own analysis of human knowledge? Don't you find yourself in the grips of radical empiricism and skepticism?

HAYEK: No. I think one can readily start with Hume and accept in the purely epistemological side the Kantian developments based on it. On the issue of the theory of knowledge, I am probably a Kantian more than anything else.

REASON: You would not believe that ultimately Kant's analysis still leads to a kind of subjectivism that is philosophically unacceptable? I realize these are complex issues. Since you have entered into philosophy very vigorously, our readers might be interested in how you would treat these more general problems.

HAYEK: I haven't really formed fully developed views so as to articulate them. I have impressions on these issues but nothing I could readily state.

REASON: I should explain what brings on the worry about Kant. He turns out extremely formalistic, for

instance, in his view of logic. Reality sort of "drops out" as inaccessible to human understanding. A variety of skepticism is left which, in the political realm, can undermine the self-confidence of the individual to deal with problems. It can lead to a call for collective undertakings and the entrusting of authority to some "important figure" as opposed to leaving the individual autonomous in a society. That's a large jump, but it should explain the worry.

HAYEK: Yes. I agree. It can do so and has done so in some instances. After all the later German idealists have become victims of exactly that, but I don't think that was a necessary development.

REASON: I would like to turn now to a particular issue of your own thought which has emerged in several contexts. Based on your essay "Not of Human Design but of Human Action," do you think the ideal of spontaneous order can be applied to all types of social problems?

HAYEK: It depends on what is meant here. Of course not *all* kinds of social phenomena are of spontaneous growth. A great many are deliberate constructions. All I would claim is that society rests to a large extent on structures which have not been deliberately designed, but which have grown up spontaneously, yet are indispensable for civilization, and on which much of our deliberate constructing rests or which is presupposed by what we deliberately do.

REASON: There appears to be a normative point to your analysis here, not just a historical one, to the effect that the spontaneous development of solutions to problems is a better, more successful, and more natural one to human life than those planned deliberately, in the organizational/collectivist sense. Is this on the right track?

HAYEK: I wouldn't deny that I believe it very often is true. Not always. To give you the most obvious example, I am still convinced that natural language as we use it contains a great many features which are most important to enable us to think and to communicate and which an artificial language would never contain. I mean by the difference, that as a result of long development there has been embodied in it more experience than any single man possesses and therefore could put into his constructions.

REASON: One of the questions that arises in connection with your idea of the spontaneous order, is whether diseconomies (as they are called) concerning pollution or land use could be left to that type of handling alone or do they require some more deliberate state action?

HAYEK: Oh, a very great many of them will require deliberate state action—you know after all this is a problem which has concerned economists for a long time. It has now been discovered by the public but this whole question takes one back to the old Cambridge tradition of Pigou and his successors who for fifty years have been dealing with exactly this problem. It's a question to what extent we can make the market system take account of these effects and to what extent this is impossible and we have therefore to find some substitute for it. It's still very largely an open question which probably has to be decided case by case—for which there's no general answer.

REASON: You wouldn't think, then, that those who maintain that everything from education to the roads and parks and even ocean beds can be handled in terms of the private property market system have really gotten a full case for their own conclusions?

HAYEK: I think they have made a very good case that we ought to leave the possibility open that the market may find solutions—I mean government should never claim a monopoly for this sort of thing because it may always be possible that somebody else may find a better method, but you can't be certain.

"If education is completely regulated by government, you have excluded a great deal of the evolution of educational development and exploration."

REASON: I see. Let me turn now for a moment to another issue in your own thinking—Professor Ronald Hamowy published an article in *Il Politico* some years ago in which he maintained that your idea that the rule of law implies only formal commitments, only formal procedural commitments, is not quite accurate and that these are not sufficient to retain what is necessary for a free society. In your book you touched on this criticism briefly. Could you elaborate it? Does your concept of the rule of law now admit of greater substantive implication?

HAYEK: Well I think Hamowy was right to the extent that my definition of the rule of law which would secure freedom was too wide. It's not sufficient that government coercion is limited to the enforcement of general rules because that might well include such things as control of religious beliefs and the like, but now I think the definition has to be extended. Government coercion is to be confined to the rules with a regard to conduct towards other persons. And in that form—that revised form—I think

it would sustain my original position.

REASON: I would like to ask you about your *evolutionary* view of law. One of the things that you mention that does not seem to fit in that analysis, is for instance, murder. It seems to have been considered to be wrong in all forms of societies known to us. Do you think that there are any other limits on this evolutionary analysis of law? Are there some things that seem to transcend evolution, that are required in all human society?

HAYEK: I think a certain degree of truthfulness probably is also universally required and probably no society could function unless it could up to a certain point assume that people are truthful. But in most instances, even that of murder, I'm not at all convinced that it is really universal.

REASON: As you conceive it, the evolution of society could *not* come to socialism. But isn't the present state of affairs the product of evolution?

HAYEK: This can happen only when you regard the action of an authority which prevents evolution, and places its deliberate creations in its place, as part of the evolutionary process. I mean that evolution may create a situation in which selective evolution in a sense becomes impossible. I wouldn't deny it.

REASON: The whole idea of evolution in human affairs (where deliberate planning is almost definitionally part of the human way) is somewhat paradoxical. It gives the impression of abandoning the very thing that is most human. Have you found this sort of criticism leveled at your views before?

"There's a kind of anarchism where if people were not compelled, they would do all of the right things on their own. That I regard as factually unwarranted and highly unlikely."

HAYEK: Yes. But I don't fully understand what they really mean. What I object to essentially is the prevention of trying other ways than those which the majority regards as correct. So long as such alternatives *can* be tried, what I call the evolutionary process is still working. The way to stop it is to prevent people from trying alternatives. In all instances I mentioned before the government claims a monopoly on particular activities which are to be done in the government way only. Take one clear instance: education. If education is completely regulated by government you have excluded a great deal of the evolution of educational development and exploration. If government provides education and at the same time makes it impossible for people to get a different one, particularly if under the Friedman system of vouchers it can be had at no greater cost, then the evolutionary mechanism is preserved. So if the government makes a mistake it will be corrected by the alternatives which are still available.

REASON: You know there have been criticisms of the free society with the idea that it allows for degeneration just as much as development. Would you say that a free system would *necessarily* lead to the evolution that you are talking about?

HAYEK: In the free society, it would always be only part of the society which would degenerate. Maybe a very large part. But there would always be a nucleus available for a different development.

REASON: What are your views on anarchism in general—as an alternative to what many people have considered to be the dismal attempts to make political solutions apply to human affairs?

HAYEK: In the strict sense of anarchism, it is, in my opinion, wholly impossible to civilization. It is unduly optimistic as regards the intelligence it would require for people to sustain it. There's the kind of anarchism where if people were not compelled they would do all of the right things on their own. That I regard as factually unwarranted and highly unlikely. If it were possible, it would be a very desirable state. But that's not the consistent type of anarchism, the one which believes that even if the instincts of the people were not good, somehow it would be desirable that the strong should subdue the weak. With that type of anarchism I find it very difficult to sympathize. I firmly believe, as I said before, that this sort of anarchism would not produce anything called civilization.

REASON: An area which has interested me enormously is the connection between ethics and the free society. Some who have sympathized with the classical liberal political philosophy have found it *morally* bankrupt. Such ideas as virtues, as norms, what an individual's life *should be* as a human being, ideals in general have not gotten their due regard within the classical liberal, philosophical, political framework. How would you meet this kind of a challenge or criticism? It's recently been voiced by Professor Irving Kristol at the Mont Pelerin Society last year where he challenged the classical liberal tradition. And people of the Straussian school of classical philosophy, Platonists and Aristotelians, although in enormous sympathy with the ideals of political liberty, have maintained that classical liberalism did not provide it with a sound enough *moral* foundation.

HAYEK: But why do they take it for granted that the political doctrine must include the view of what the individual shall believe on general moral issues? Isn't it enough that the political system makes it possible for the individual to have these ideas? It's not every political system which does. I think political philosophy is merely concerned with a framework within which certain developments are possible and it's not the task of political philosophy to prescribe to the individual the ideals he ought to hold.

REASON: I suppose the difficulty with that answer is that, be it as it may, the political philosopher still must answer the question: What is right for man in society?

HAYEK: Yes.

REASON: To be able to answer to that question doesn't he also need some knowledge of the answer to the question what is right for man in general, as a human being, independent of whether he's in society or living his private life? If he does not know the answer to the more general ethical question, how is he going to ground his answer to the political question?

HAYEK: Well, isn't the idea that society or the political area is bound to ethics, a view of what is right for man, almost incompatible with the idea that a man ought to have freedom to decide on what he regards as right?

REASON: I don't think that's the case because from the fact that you know what is right for man, it does not follow that you must *make* him do it. Those are two different issues—the justification for the answer to what is right, is one thing and the justification for action, I will make him do what is right, is another. So I don't think that that's an adequate response to that challenge.

HAYEK: But if you don't affirm the second question, but only the first, I don't see why it should be necessary for political philosophy to have any view at all about what is right for man—unless the political system does something about it, it needn't concern itself with what is right for man.

REASON: I don't know how to pursue this without getting into some of the difficult details. This issue has been a serious concern to a number of people who have tried to defend a free society—they have generally believed that the socialists, the collectivists, have taken over what the Christians used to have a monopoly upon, namely a concern for the moral welfare of the people. It's a "spiritual" concern, which has of course enormous political implications, but it is nevertheless a concern that they think is

necessary. It seems that philosophers, thinkers in general, who propound a world view, must have some answer to those questions, and unless they do, they haven't earned their position as contenders.

HAYEK: I wouldn't deny that the moral philosopher must have such views, but that doesn't mean that there must be a unitary view on that subject for a society or that institution must be based on a particular moral view about what is right. In fact that the ideal society should presuppose a common view about what is right *and* the freedom for each to form his own view on the subject do seem to me to be in conflict.

REASON: I think that there is no conflict between those two, because I can have the view that you ought to do X and yet I can also have the view that you ought to be free to discover what you ought to do. Those two propositions are not logically incompatible. One can be for the freedom of the individual and still maintain that one knows what that individual ought to do.

HAYEK: Yes. That leads to a very difficult problem if one pursues it.

REASON: In general do you find that your ideas and the framework you embrace both politically and economically find a greater receptivity in America than in contemporary Europe?

HAYEK: It's difficult to say. Everywhere it's a question of very small numbers. I have very little knowledge about recent developments in the States—on the whole my impression is, but I may be

mistaken, that there are more young people in England taking interest than either in America or on the European continent. But it may just be that they have gathered together and I meet them as a group when I go there, while in the States, Germany and Europe, it's only in Germany and no other country of the continent, where it plays any role. Those interested are still mostly isolated individuals who don't have much contact among themselves.

REASON: Is there any development of the libertarian philosophy in Italy and France and Switzerland?

HAYEK: I know very little about the Latin speaking countries. In Italy and France I don't think there is. There may be a little in Switzerland, but all I hear from are two groups in Germany—in Freiburg and Cologne—where a few like minded people have found together.

"I expect that the fight against inflation will drive all the Western countries into a planned economy via price controls."

REASON: REASON magazine itself now has a circulation of about 12,000 people in the States and in about fifteen other countries there are trickles of a few people around. We have always been wondering just what is happening in Austria itself since it gave rise to some of the major figures in libertarian study.

HAYEK: Yes. But that tradition in Austria has been torn during the war and Nazi years. Only in Germany is there an independent tradition which started in Freiburg with Eucken and is still effective. But in the other Continental countries I just have no knowledge of any development of any significance.

REASON: Do you find that your work is known, for instance, in Salzburg and students seek you out?

HAYEK: It wasn't when I arrived. And even now there is not a great deal of interest outside of the few who have come to my classes.

REASON: You still seem to prefer it in Europe—am I correct about that? Do you prefer living here? You've been in Freiburg and you've been in Salzburg for several years!

HAYEK: That is very largely for purely practical reasons. I think if I were completely free to choose I would live in England in spite of present political differences.

REASON: In general, I am curious as to how you see the prospects of liberty in our times or in the future?

HAYEK: What I expect is that inflation will drive all the Western countries into a planned economy via price controls. Nobody will dare to stop inflation in an ordinary manner because as things are at present, to discontinue inflation will inevitably cause extensive unemployment. So assuming inflation stops it will quickly be resumed. People will find they can't live with constantly rising prices and will try to control it by price controls and that of course is the end of the market system and the end of the free political order. So I think it will be via the attempt to regress the effects of a continued inflation that the free market and free institutions will disappear. It may still take ten years, but it doesn't matter much for me because in ten years I hope I shall be dead.

REASON: It matters a lot for me and for most of our readers, I can tell you. Is it likely that in America there would develop social revolution as a result of all this? I don't think that all the various factions of the American society can be brought together into a submissive totalitarian hold that would be required for a massive social planning. Do you find that to be a reasonable idea?

HAYEK: Yes. But what will happen I cannot really imagine because it will be constant pulling one way and pulling the other for the reason that inflation will be regarded as intolerable. The only way really to stop it will produce unemployment which would be regarded as equally intolerable and people will resort to price controls without knowing that this leads into worse matters. When they recognize it they will scrap the price controls and we'll again be at the beginning of the same affair. I don't know how many times we can go through the same cycle and certainly it will mean an increasing disappointment with governments. The governments will be unable to give the people what they clamor for and it will certainly be a time of constant political disruptions. My wish is that people would have courage to face a period of substantial though not necessarily very prolonged unemployment, with all provisions for the unemployed, and restore the price mechanism. But I think the chance that this will happen which to me seems to be the only way out for free system, is very small indeed.

REASON: That's what I'm afraid of. But it's not going to be the first time that people have chosen a path very different from freedom.

Dr. Hayek, thank you very much for allowing us to visit and talk to you. We wish you good health and thank you again. ◻

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Congress shall make no law restricting the freedom of wages and prices nor authorizing commodity allocations. The right of citizens to make contracts and to trade freely among themselves shall not be abridged.

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It shall be the policy of the Treasury of the United States to stabilize the supply of cash notes and Federal credit in circulation, and thereby to preserve and increase the purchasing power of the currency of the United States.

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On the fourth day of July in the year following the year of ratification of this article, the sixteenth article of amendment to the Constitution of the United States shall be repealed. A levy of taxation sufficient to discharge the financial obligations of the Federal government shall be apportioned among the several States by Congress annually as the first act of each session, but the power of direct taxation shall be reserved to the several States. Congress shall not impose any tax on the property or income of citizens of the United States, nor shall any internal revenue service be maintained.

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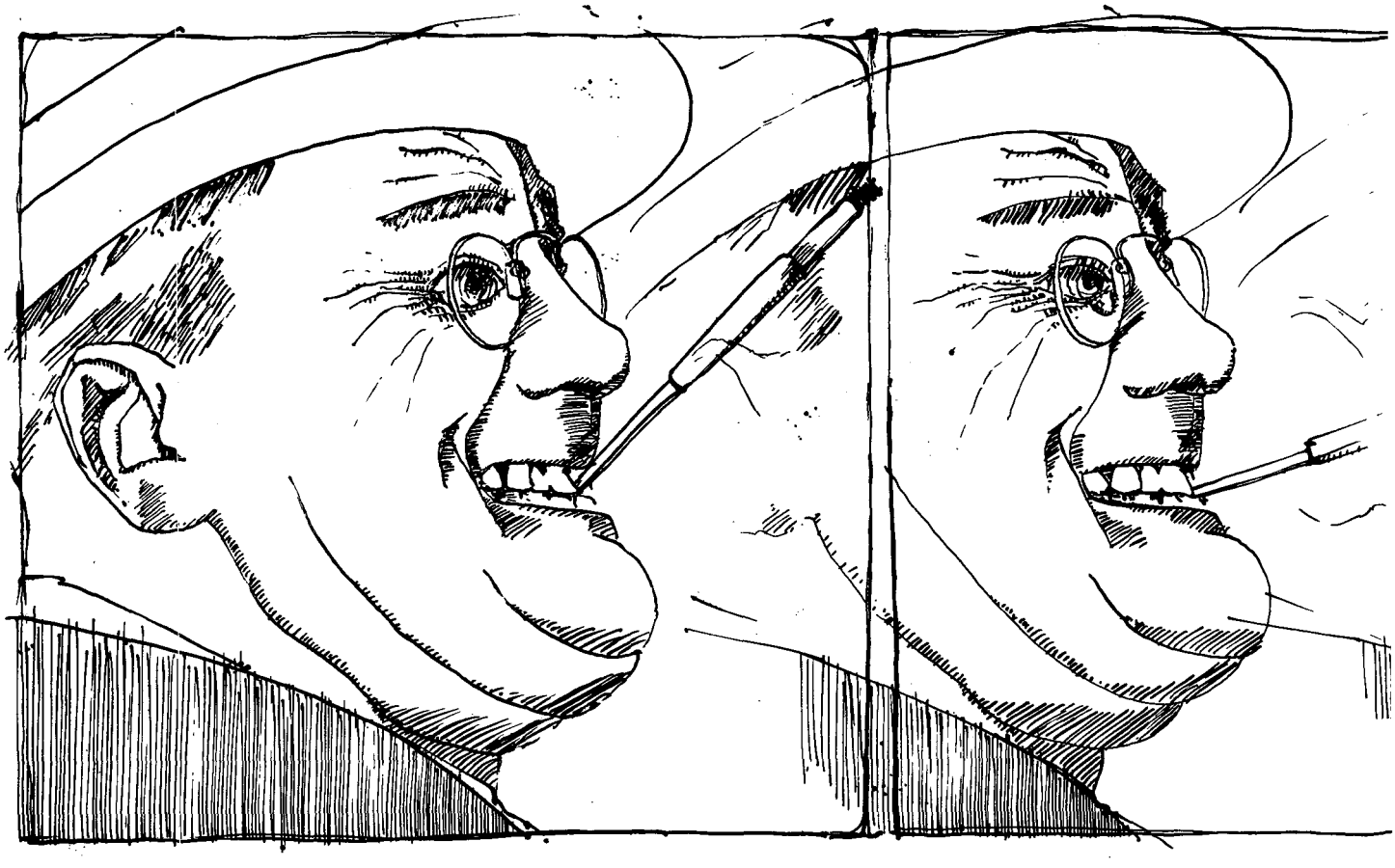
The Failure of the New Deal Coalition

Jerome Tuccille

Jerome Tuccille has a B.S. in psychology from Manhattan College. Since 1970 he has published three books with libertarian themes (Radical Libertarianism, It Usually Begins with Ayn Rand, *and* Here Comes Immortality). *This article is an excerpt from his fourth book,* Who's Afraid of 1984?, *to be published in April by Arlington House. Most recently, Tuccille was the candidate for governor of New York's Free Libertarian Party.*

American liberalism did not spring up overnight with the advent of Franklin Delano Roosevelt and his New Deal. Its roots go back to the American Progressive Era and the European Social Democratic movement which had already surfaced in Germany before the turn of the 20th century, and later spread to Russia and much of Western Europe by the time the United States was girding itself for World War I. The rhetoric was changed by the time the New Dealers adapted the ideas to the American system; indeed, most liberals have tended to think of themselves more as Reform Capitalists than as Social Democrats or Democratic Socialists like their European counterparts. They are concerned about "making capitalism work better," making it more "humane and responsive to the public interest," rather than with ushering in the socialist millenium. I have no doubt that much of the liberal rank-and-file, and some of its political leadership, has come to accept this rhetoric on its face value. In an age when many of us can't seem to remember what happened beyond last night's *Tonight Show,* it is insensitive to fault people for historical myopia. But the intellectual leadership of the liberal left, the ideologues who set the tone for a movement over the long run, have been avowedly socialist all along, and have been calling for liberals to abandon their "reform capitalist" rhetoric in favor of an open socialist position.

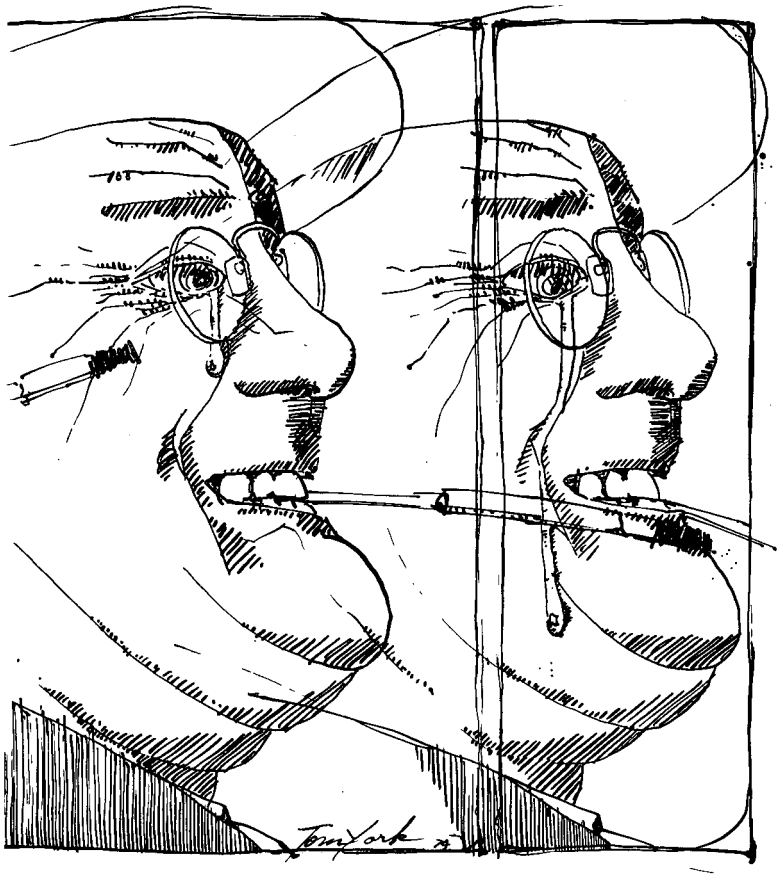
"I am a democratic socialist," says Nat Hentoff, author and columnist for the *Village Voice.* "Capital-



ism, even the mixed capitalism that exists today, is impossible to justify if life is to be sustained and regenerated. . . . This country must begin to develop that human-service, socialistic society whose citizens, under political democracy, act in free will for their own best interests and those of the rest of the world."

John Kenneth Galbraith (whom I have always regarded as a fair novelist, but a less-successful nonfiction writer), a long-time critic of capitalism and proponent of democratic socialism, is regarded as the High Priest of Economic Affairs by even the more moderate liberal politicians—those constituting the "soft center" of American politics, as Norman Mailer puts it.

One by one, the intellectuals of the left put themselves firmly in the socialist camp. Gloria Steinem, Jack Newfield, Max Lerner, Paul Kurtz, Margaret Mead, Noam Chomsky, Christopher Lasch, Michael Harrington, Norman Cousins—those who may be considered the trend-setters of left-wing politics in America—have jettisoned the rhetoric of "mixed-economy capitalism" in favor of undiluted socialism. They attribute the failures of liberalism to the elements of capitalism remaining in our economic system, *not* to any shortcomings in the socialistic reforms already achieved. They are all rather panicky over the fact that the American public is growing disillusioned with welfare state reforms—primarily because of an intolerable tax burden and a corresponding decline in the quality of governmental services—and, because of this, the pace-setters of the left are afraid of a middle class exodus to the political right, toward capitalistic solutions to our social problems.



"The intellectual leadership of the liberal left has been avowedly socialist all along, calling for liberals to abandon their 'reform capitalist' rhetoric."

Because of this mounting fear on the left, its intellectual wizards are determined to speed up the reel of history, to abolish the remnants of capitalism in our system and totally socialize the nation before the middle class becomes too *uppity.* They are determined to prove that *pure* socialism, as opposed to the hybrid capitalist-socialism they have already bestowed on the country, will work if allowed to rule unhampered. If they can find some way of eliminating all opposition to their utopian pipedream, they are convinced they can save humanity from itself. It would be more "humane" to wipe out the opposition *democratically,* of course, through the electoral process. But some of this contingent, following the lead of Michael Harrington and his "benevolent dictatorship," are no longer concerned about the niceties of constitutional democracy. In desperation they have decided, what the hell, it's time to take off the gloves and slap some sense into "reactionary fascists" who still believe in private property and the profit motive. If they refuse to listen to *reason* and vote for progressive reforms, then . . . well, what else can you do when the survival of humanity is at stake?

PRE-ROOSEVELT PROGRESSIVISM

Modern liberalism in America can be traced to the progressive era which first began to take form in the late 19th century. The basic creed of progressivism is best summed up in Herbert Croley's *The Promise of American Life* (published in 1909), which became the political bible for writers like John Dewey, Walter Lippman, Jane Addams, Van Wyck Brooks, Randolph Bourne, Charles Beard, George Soule, Bruce Bliven, and others who constituted the "voice of the *New Republic*" after 1914. Croley's program called for a steady march toward "democratic collectivism" in the economic, social, and cultural life of the country. The nation could no longer afford the Ethic of competition and private gain, said Croley. The "Promise of American Life" would be fulfilled, "not by . . . economic freedom, but by a certain measure of discipline; not by the abundant satisfaction of

individual desires, but by a large measure of individual subordination and self-denial." Croley specifically recommended an acceptance of economic and political centralization as the best means of organizing a modern society, particularly the regulation of large corporations in the "public interest." He also proposed the use of progressive taxation to redistribute wealth and profits. Herbert Croley did not consider himself a socialist, preferring the label "mixed-economy progressive."

"The socialist-communist wing of the American left had little choice but to align itself with the New Deal Democrats."

Strongly influenced by Croley's ideas, Van Wyck Brooks published a series of widely-read articles in various journals from 1915 through 1917 directed primarily at writers, journalists, and other architects of public opinion. He declared it was time for intellectuals to assert themselves and start devoting their talents to the achievement of social reforms. His writings reflected an open antipathy for businessmen, and he excoriated them for alienating intellectuals from American life. Van Wyck Brooks diagnosed the central disease of the time as "insane individualism," "a historic obsession with self-reliance and personal achievement." He was especially bilious toward other writers linked with "the enemy camp," particularly Nathaniel Hawthorne and Mark Twain who had been "seduced by the Ethic of individualism." Unlike Croley, Brooks used the word *socialist* to describe his own political orientation, thereby advancing this indigenous American movement a step closer toward the European tradition.

American-style progressivism suffered a devastating blow in the wake of World War I. The public was too busy finding release for the bottled-up frenzy of the war years, and the entire mood of the nation drifted away from "social consciousness" toward the footloose hedonism that characterized the 1920's. Indeed, the entire left wing in America was in disarray during this period. The Socialist Party, which had its roots in European Social Democracy, and the IWW which espoused a Bakuninist style of syndicalism had both failed to make significant inroads into the American trade labor unions. The left wing was left with a loose coalition of radicals and liberals—the radicals oriented more toward European socialism; the liberals more toward American progressivism—all of whom were more or less influenced by Karl Marx.

With both groups on the ropes, staggering from the rampant lack of concern for social issues during the 1920's, it was inevitable that a merger of sorts would be forged between these two broad left-wing camps. There was power in numbers, and only a more closely-knit coalition could provide the left with the manpower necessary to launch a viable political movement in the United States.

A coalition and a catalyst. The coalition was already taking place in the twilight days of the 1920's. The catalyst was to be provided by the crash of the American stock market in 1929.

THE COALITION EMERGES

The great irony of the presidential campaign of 1932 is that Franklin Delano Roosevelt was actually elected as the more *conservative* of the two candidates. Repeatedly throughout the campaign, F. D. R. denounced Herbert Hoover for deficit spending and he vowed to roll back taxes by a fixed amount each year—sometimes referring to across-the-board tax cuts in the 25 percent range. His fundamental campaign theme was economy in government which had strong appeal among the nation's farmers and Midwestern merchants. He rebuked Hoover for his "arm-twisting method" of slowing inflation and stabilizing the economy, and accused him of concentrating too much power in the hands of Federal planners.

According to F. D. R.'s closest advisors at the time, their Presidential candidate was basically unprincipled and untutored ideologically. Heywood Broun described him in 1932 as "the corkscrew candidate of a convoluting convention," meaning that he was willing to bend and twist himself in any direction to present himself as "all things to all people." Leading reporters assigned to F. D. R.'s campaign portrayed him as "an amiable and ambitious but incompetent and wobbly governor who was dangerous" because of both his lack of experience and his blatant political opportunism. If he had a real program of his own designed to pull the country out of the depression, it lay so well concealed in his mind that not even his closest associates were aware of it. On the other hand, Herbert Hoover had already established impeccable liberal credentials during World War I as Food Organizer in the Wilson administration. Progressive Democrats had unsuccessfully attempted to draft him as their party's presidential candidate in 1920.

The most revealing insight into the mind of F. D. R. in campaign year 1932 comes from Rexford Guy Tugwell, a leading member of the so-called Brains Trust and, along with Adolph A. Berle, the most important architect of the New Deal. He served as Under-secretary of Agriculture from 1933 to 1937. In his book *In Search of Roosevelt,* Tugwell takes a pompous pride in having "educated" F. D. R. in the virtues of collectivism:

> Roosevelt knew only a little about the competing ideas seething then in the less formal literature of the social sciences. My specialty, if I had one, was the study of social invention—

especially, of course, in economic life. I had always been enormously interested in the creative intelligence—how things were made and ideas shaped, how novelty was possible and where it came from. And I had a good deal of work behind me; but not more than Adolph Berle, who was my junior by several years but had been a prodigy of early learning.

And what of Tugwell's ideological makeup? In his own words, he and Adolph Berle were called "Reds, Communists, Socialists, Anarchists, and even, on occasion, Fascists." The only label he would accept, however, was "Collectivists" which more generally described the pattern of their ideas. Tugwell, Raymond Moley, and Berle shaped an economic program for F. D. R. which they described as "concentration and control . . . based on coordination or collectivism as over against individualism and atomism [i.e., competition]."

As self-avowed collectivists, they were openly admirous of Benito Mussolini's Fascist plan for revitalizing the Italian economy. They scoffed at natural law theory and free economic competition, and argued for large state-controlled corporations in the Fascist model, thereby dispelling the myth that the New Deal was created to *break up* monopoly capitalism. Tugwell kept pressing on F. D. R. the notion that the free market of Adam Smith was gone forever, and he urged him to accept the inevitability of state-run monopolies as the most efficient means of organizing the American economy. Tugwell, more so than Berle, Moley, and Lippman, despised the business community and wanted it totally managed by the Federal Government in a joint government-corporate partnership. By the time the election of 1932 rolled around, Tugwell was able to boast: "[F. D. R.] had made himself into a good deal of a collectivist and was reconciled to the inevitability of large-scale organization; he had a beginning of faith in economic planning."

F. D. R.'s TEMPORARY BENEVOLENT DICTATORSHIP

Franklin Delano Roosevelt performed a complete turnabout after his inauguration in the spring of 1933. The man who had accused Herbert Hoover of "arm-twisting" and "economic tyranny" in his own administration suddenly asked for broad executive power to wage a war against the national emergency, "as great as the power that would be given to me if we were in fact invaded by a foreign foe." What if Congress failed to bend to the new President's will? The whole country must rise up against the legislative branch with a demand for universal sacrifice, discipline, and strong Federal action.

F. D. R. and his Brains Trusters were not the only ones flirting with the concept of a "temporary benevolent dictatorship" to deal with the national crisis. Mussolini's success in Italy had not gone unnoticed by the news media, especially the humanitarian liberals at the *New York Times.* As Ann O'Hare McCormick, a reporter for that freedom-loving organ, wrote in 1933: "The atmosphere [in Washington at the beginning of the New Deal] is strangely reminiscent of Rome in the first weeks after the march of the Blackshirts, of Moscow at the beginning of the Five-Year Plan. . . . The new capitol built by Mr. Hoover presupposes just such a highly centralized, all-inclusive government as is now in the making."

She continued: "Something far more positive than acquiescence vests the President with the authority of a dictator. This authority is a free gift, a sort of unanimous power of attorney . . . . America today literally asks for orders. . . . Not only does the present occupant of the White House possess more authority than any of his predecessors, but he presides over a government that has more control over more private activities than any other that has ever existed in the United States. . . . [The F. D. R. administration] envisions a federation of industry, labor and government after the fashion of the corporate state as it exists in Italy."

"Soule was confident that, as capitalism was progressively eroded by New Deal reforms, a genuine socialist party would emerge to seize power."

Lest you think the notion of One-World dictatorship is relatively new, this also flowed from the pen of the same lady: "[F. D. R.] has dramatically placed himself at the head of the world. He does not ask for a mandate as an international dictator, welcome as such a governor might be to a distracted planet, but if he gets the authority he wants from Congress . . . he would be in position to exercise almost as much power abroad as he wields at home. . . . Nobody is much disturbed by the idea of dictatorship. Mr. Roosevelt does not fit into the popular conception of a dictator, and there is a general feeling that he collects powers as he collects opinions—to be ready for emergencies rather than with the intention of using them. . . . Here is a new kind of rule—what might be described as the permissive dictatorship, evolved in a few weeks by a concert of powers: the President, the people, the tyranny of events."

All the above is lifted from the *New York Times Magazine* of May 7, 1933—the publication which publishes all the news fit to print.

Roosevelt, having learned his lessons well at the collective feet of Tugwell and Berle, promised to launch a program of government-industry cooperation (i.e., a government-managed economy); distrib-

ute massive relief funds to farmers and small merchants; accept responsibility for the welfare of millions of unemployed; inaugurate a program of far-ranging experimentation in central planning (ala Russia's Five-Year Plan); establish large public works projects; guarantee bank deposits with Federal tax dollars; and regulate the brokerage houses on Wall Street.

Ideologically, all these programs translated into a grab-bag philosophy of American progressivism, grass-roots populism, Italian Fascism, *mittel*-European democratic socialism, and urban social reformism in the Jane Addams-John Dewey mold—a collectivist stew of sorts, if you will. The far left in the United States, composed of doctrinaire socialists and Marxists, was a bit uneasy over the fact that F. D. R. was modeling his New Deal too closely on Mussolini's corporate state to suit its own tastes. It preferred that Roosevelt steer the nation in a more consistently Marxist direction, and kept up a steady pressure on his administration throughout the decade to move further to the left. But, for the moment, the socialist-communist wing of the American left had little choice but to align itself with the New Deal Democrats. There simply was no other ballgame in town at the time. At least the new President was a collectivist, however impure, and sooner or later he might be guided onto the straight and narrow Marxist road.

The most important job for the American left in the early days of the Roosevelt administration was the creation of a Popular Front, a broad coalition of dissident classes and groups, to engage in a long struggle for social change. The ultimate goal would be to push the country far beyond the New Deal toward an indigenous form of socialism. George Soule, in his book *The Coming American Revolution* (published in 1934), warned the far left against indulging in any Leninist fantasies. The European design of fomenting social upheavals with rioting mobs, violent class conflicts, dramatic assaults on the government, and a convulsive overthrow of the old order would not succeed in America, Soule claimed. The American public was basically too conservative, too indoctrinated by a century and a half of capitalist individualism to respond to the bugle call of a Marxist revolution. "A true revolution [in the United States] would take many years, even generations in the making." The proper course for the American left was to "work through the New Deal" to fuse all disparate classes and elements into a new social order.

Soule advocated a gradual, systematic "control of production, prices, wages, investments, and purchasing power," all of which would add up to socialism over a period of time. He felt that a rigorous implementation of Keynesian economics in the United States was "by nature antagonistic to the basic requirements of capitalism," and therefore ought to be encouraged. He was confident that, as capitalism was progressively eroded by New Deal reforms, a genuine socialist party would emerge to seize power.

Soule, perhaps more than any other voice of the time, succeeded in muting the far-left call for "violent social upheaval." Louis Fraina, a pseudonym for Lewis Corey who was one of the founders of the American Communist Party in 1919, agreed that the situation in the United States was indeed unique, and he committed himself to Soule's piecemeal approach to socialism. In his view, the left should work in tandem to "proletarianize" the American middle class. This would be accomplished by a steady application of New Deal reforms designed to weaken the capitalist economy and "create crises"—crises which "only socialist programs" could solve. Other writers joined Soule and Fraina in recognizing that the only way to bring socialism to the United States was through "reform within the system," and especially by working with the Democratic Party since the great majority of Americans would never openly support a left-wing fringe party.

The *Nation* and *New Republic* quickly began calling for a "revitalized Democratic Party" of the broadest scope, encompassing all those forces—farmers, Negroes, clerks, salesmen, small businessmen, teachers, engineers, white collar professionals, managers, intellectuals, and industrial workers—"which can be made to see their interest in the abolition of capitalism." This Popular Front party would "Americanize Karl Marx" by emphasizing piecemeal, democratic reforms instead of a proletarian revolution. The New Deal, of course, would be the instrument of these reforms. The Democratic Party would dedicate itself to "a planned cooperative commonwealth, with public ownership of the basic means of production."

"F.D.R. never fully grasped the idea that Hopkins, Tugwell, et. al. were not concerned about ever *diminishing the growing army of public reliefers and employees."*

Max Lerner, Archibald MacLeish, and Corliss Lamont stressed the "compatibility between liberalism and socialism." Both camps, they argued, were committed to "scientific methods" in solving social problems. What was class struggle if not a synonym for the more euphemistic term *"political action by enlightened persuasion?"* Lerner and Frederich Schuman even went so far as to state that democratic socialism was the "ultimate goal of Marxism"—which must have come as quite a shock to the more dogmatic Marxists who assumed their "ultimate goal" was a worldwide factory full of contented workers

bending to their tasks in an atmosphere of voluntary slavery. Then again, the liberals have never been too subtle in their efforts to co-opt the hairier fringes on the left. Lerner and Schuman both wanted a "liberal-communist alliance" which would "produce a new philosophical synthesis, combining the best strains of Marxism and Pragmatism." In less grandiose terms, this meant turning both Marxism and progressivism into an American form of democratic socialism, a nice feat if Messrs. Lerner and Schuman could pull it off.

FAILURE OF THE NEW DEAL COALITION

But it was not to come off according to plan. The reason for this was simple and practical: F. D. R.'s New Deal measures did not succeed in stimulating the economy; quite the reverse. The national income in 1934 was 10 billion dollars less than in 1931, and only half that of 1929. In the fall of 1934 unemployment stood at roughly the same level as it had two years earlier. Harry Hopkins, a former New York social worker under Governor Roosevelt who was described by Robert Sherwood as the most powerful man in Roosevelt's administration from the middle-1930's right through to the war years, confided in 1934: "Nobody seems to think anymore that the thing [the New Deal] is going to work." But the worse the American economic situation became, the more adamant Hopkins was about imposing new and more drastic reforms on the economy. "Boys—this is our hour," he said. "We've got to get everything we want—a works program, social security, wages and hours, everything—now or never."

Responding to strong pressure from the left, Hopkins spent *five million dollars in his first two hours in office.* Critics of the New Deal accused Hopkins of spending the taxpayers' money "like a Medici Prince." With each new failure he urged additional programs on F. D. R., pushing him ever leftward. He put four-and-a-quarter million people to work for the Civil Works Administration, as many as had served in the Armed Forces during World War I. Artists, writers, opera singers, archeologists, day laborers, and everyone else he could lay his hands on were given a Federal paycheck. Where all the money for public salaries was going to come from if he succeeded in totally destroying the private sector did not seem to concern him.

Roosevelt, himself, began to grow panicky over the cost of Hopkins' "humanistic exuberance," and publicly expressed concern that he was creating a permanent class of reliefers whom he might never be able to separate from the public dole. This attitude, however, is further evidence of F. D. R.'s lack of ideological sophistication. He never fully grasped the idea that Hopkins, Tugwell, Moley, Berle and Company were not concerned about *ever* diminishing the growing army of public reliefers and employees. It was their intention from the start to turn virtually the entire American work force into public employees by collectivizing, if not actually nationalizing, the major industries. F. D. R.'s wife Eleanor had a much clearer grasp of the true purpose of the New Deal, and was the real ideologue in the family. *La Boca Grande,* as Westbrook Pegler labeled the Queen Mother of the American left in the 1940's, served as a kind of ideological shield between the Brains Trusters and her husband lest he grow gun-shy over their left-wing sloganeering. Her job was to "strain" the rhetoric and spoon feed it to him like pablum. In many ways the old booby was an old-fashioned American patriot at heart—a willing dupe of the collectivists, however, because of his ravenous appetite for more and more power.

"By 1938 the economy was, if anything, in worse shape than when F.D.R. took office."

A temporary upswing in the economy, combined with an ineffectual Republican Presidential campaign, put Roosevelt back in office for a second term in 1936. But, less than a year later, the unemployment rolls had swollen to 1932 levels once again, and the newspapers of the country were filled with reports about "roving bands of children salvaging food from garbage cans, families fighting one another for spoiled food dumped in the streets near markets, and a marked increase in the suicide rate among the unemployed." Harry Hopkins, the intrepid social worker himself, admitted that starvation was widespread in 17 Southern States and other areas throughout the country. The WPA (Works Progress Administration) could not put anyone else to work because of lack of funds, and relief treasuries were in a state of bankruptcy. A number of social critics, including Bernard De Voto and Hugh Johnson, wrote articles and books claiming that the "current depression was worse than Herbert Hoover's." The off-year elections of 1938 put many conservatives back in Congress who, together with disaffiliated Democrats, formed a bipartisan bloc to stymie additional New Deal measures.

PLACING THE BLAME

What was responsible for the failure of the New Deal to end the depression? Certainly not the quasi-socialist nature of the reforms themselves. If anything, according to Popular Front intellectuals, Roosevelt had *not gone far enough.* He was not a consistent socialist. Since F. D. R.'s welfare state approach had failed to end hunger and poverty, reduce unemployment, and restore prosperity, the

only logical alternative was to move more dramatically toward socialism, to speed up the evolutionary cycle so to speak and bring the revolution to America ahead of schedule. Rexford Guy Tugwell, who certainly knows how to twist a syllogism along with the best of them, put the blame on Roosevelt's "vacillation" between collectivism and individualism —the element of capitalism remaining in his reforms because of F. D. R.'s "cautious and halfhearted approaches." Roosevelt, you see, simply did not go far enough in collectivizing the economy.

"The left wing in America had a once-in-a-lifetime opportunity to revolutionize the country in the early 1930's, and it blew it."

But whatever rationalizations the New Deal apologists were able to muster, there was no denying the simple facts: the economy was, if anything, in worse shape than when F. D. R. took office. The American work force was top-heavy with unskilled labor and suffered from a severe shortage of skilled labor. Ironically enough, hundreds of thousands of jobs were going begging for lack of qualified applicants while the unemployment rolls continued to hover at a catastrophic level. Public treasuries, both state and Federal, were bankrupt and F. D. R.'s promised relief checks failed to go out on time or evaporated altogether.

By 1938 much of F. D. R.'s support was severely splintered. The divisions among liberals, socialists, communists, Trotskyites—a mind-boggling array of factions within factions—grew wider once again, and the Popular Front literally started to come undone at the joints. F. D. R.'s army of intellectuals, no doubt growing a bit miffed over the direction their utopian pipedream had taken, began to drop out of politics in favor of cultural pursuits. Here they had consented to dirty their hands in the soil in a united effort to rebuild America, and the piggish American public had failed to lend a hand like good proletarians ought to. Well, to hell with that. The American citizenry had its chance and blew it. Writers like Dwight Macdonald announced they would henceforth dedicate themselves solely to the Muse. Let the public eat its collective heart out.

Others bolted to the political right, claiming they had learned to treasure freedom above everything else. "The dictators have taught us to love freedom more," Louis Fischer declared in 1939. By the time the war broke out in Europe, the coloration of left-wing ideology was more "anti-Fascist" than it was pro-anything else. The Hitler-Stalin pact disenamoured many American intellectuals of the virtues of collectivism (in any form). Individualism would experience a renaissance of sorts through the efforts of the perennial H. L. Mencken, Frank Chodorov, Rose Wilder Lane, Isabel Paterson, Garet Garrett, and other writers who had never been swept up by the New Deal euphoria to begin with. Less political writers began to attack the concept of a centrally-planned society whether modeled on socialism, fascism, or welfarism. William Saroyan remarked that the 1930's taught the artist an invaluable lesson: he must elude every attempt at external coercion, that he is inescapably a "dweller in an ivory tower" for whom "historical action was out of the question."

Henry Miller was even more to the point: "Society is made up entirely of individuals, not groups or classes. Consequently each single man should try to rise above the crowd . . . repudiating all gods and leaders, recognizing instead that the solitary individual must work with his own hands to save himself." Miller's path was to "turn his gaze inward, contemplating his private fate with awe and wonder, mystery and reverence, inventing his own miracles, wreaking his own havoc, in a universe bereft of revolutionary visions and utopian dreams."

And Ernest Hemingway, who had been denounced in the middle-1930's for refusing to join the Communist Party, was most succinct of all. "Ideology," said the master, "is no substitute for art." He went on to describe himself as an individualist above everything else, a man who did not believe in burying his individuality in the cause of collectivizing mankind. His personal *bete noir* was the high level of taxation which ate away a good percentage of his earning power.

American-style socialism, quite simply, was costing him too much money.

The left wing in America had a once-in-a-lifetime opportunity to revolutionize the country in the early 1930's and, to put it simply, it blew its golden hour. The left failed to exploit the *genuine* economic and social crises ripping apart the nation when it had the chance to do so. It failed primarily because collectivism in any form is incapable of rejuvenating a moribund economy; it is incapable of providing any society with a generally high standard of living; its history in every country where it has taken root is one of continuing failures and political slavery. Collectivism is a failure because it is, in its very fundamentals, a denial of human nature. By suppressing individual differences and the drive for personal achievement, by attempting to "equalize" unequal human beings under the jackboot of political authoritarianism, socialists, welfarists, and fascists can only generate alienation and widespread discontent. If they do succeed in imposing an effective dictatorship over a society, they must of necessity create an apathetic citizenry unwilling to produce because of the lack of incentive to do so.

(Collectivism can work only if human nature is

substantially altered. This is the insidious danger behind B. F. Skinner's behaviorist theories as outlined in *Beyond Freedom and Dignity.*)

These facts are so elemental in understanding the human condition that it is truly a wonder how so many people continue to deny them. They simply *will not* accept reality. They are determined to refurbish human nature in their own image . . . or else destroy human society in their effort to do so.

"The left wing has failed to absorb the fact that the American working class is irreversibly middle class."

Fortunately the New Dealers did not succeed in bringing socialism to America in the 1930's, and their chances of succeeding now grow slimmer every year. The social and economic conditions prevailing at the time are no longer with us. The ranks of the "proletariat" are decreasing steadily, and the left is running out of fodder for the socialist revolution.

MIDDLE CLASS PROLETARIAT

By the time J. F. K. took his oath of office the United States was already a predominantly middle-class country. Where one-third of the nation was going hungry in 1932, less than 10 percent was seriously malnourished in 1960—and the figure is under 5 percent today. The left wing has failed to absorb the fact that the American working class is irreversibly *middle class* in every conceivable area. The income of the average blue-collar worker is high enough to turn insurance executives green with envy. Policemen, firemen, tin knockers, and wire lathers live cheek-by-jowl with lawyers and doctors in choice suburban communities across the country; their children play on the same Little League teams together; to a great extent they dine out in the same expensive restaurants on weekends; and, according to the latest studies, they are even going to the same psychoanalysts. In the 1930's the main concern of the working class was feeding and clothing itself, while today its main interests are preserving a comfortable standard of living, combatting rising taxes and inflation, reducing crime and making our streets safe to walk in. Quite simply, American "proletarians" are now card-carrying members of the *bourgeoisie,* thanks to the element of economic freedom the liberals have not been able to destroy.

Forty years ago the left had an even chance of forging a broad coalition with "farmers, Negroes, clerks, salesmen, small businessmen, teachers, engineers, white-collar professionals, managers, intellectuals, and industrial workers" because of the widespread discontent among all these groups. Today the socialists are left with blacks, Spanish-speaking immigrants, and (but of course) the humorless brigade of left-wing intellectuals and student revolutionaries. Most likely, by the time our landmark year of 1984 comes around, most blacks and chicanos will have worked their way into the middle class and the "revolutionary coalition" will have been reduced to a daisy chain consisting of university professors and editorial writers for the *New York Post.*

THE OUTLOOK

In 1972 the American left tried—tried oh-so-hard and so self-righteously—to portray George McGovern as a latter-day Joan of Arc capable of bringing us the "Kingdom of God on Earth" in his first four-year term. What happened, instead, was that St. George turned out to be a political prostitute of the lowest rank, a tarnished street walker with an uncanny talent for selling his soul to the highest bidder in the grand old tradition of smoke-filled rooms and clubhouse deals.

In 1976 the liberals will attempt to resurrect that old Kennedy magic through Ted Kennedy, but at this stage it does not look as though the youngest Kennedy brother has the necessary equipment to carry it off. His intellectual shortcomings prompted his own father to make unflattering comments about him, and his crass stupidity (if not criminal negligence) at Chappaquiddick is bound to hurt him in the same manner Watergate all but castrated Richard Nixon. There are just too many factors weighing against him, all adding up to serious deficiencies in overall design.

This leaves the American left with a lineup of sad and tired old warhorses—used-up relics of the New Deal like Senators Hubert Humphrey and Henry "Scoop" Jackson. Both Jackson and George Wallace have appealed to some people on the political right because of their positions on law and order and foreign policy, but underneath the conservative-sounding rhetoric they are both New Deal Democrats with a taste for economic collectivism (and outright socialism in the case of "Scoop" Jackson). It was this latter gentleman who flirted with the notion of nationalizing the oil companies during the energy crisis of 1973. There is always the chance that the left will come up with a brand new demagogue by 1976, an engaging and persuasive dark horse capable of rallying the multitudes around a revitalized socialist bandwagon. But I do not think this will be the case. The American public grows more enlightened all the time; it has grown more wary over the tactics of political demagoguery; it has been stung too many times in the past. ◻

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Monroe H Freedman

A CIVIL LIBERTARIAN LOOKS AT THE S.E.C.

Since I am a stranger to this group and, indeed, to this area of the law, it seems appropriate that I begin by introducing myself and indicating the perspective from which I view securities regulation. I suppose I would be characterized as an old-fashioned New Deal Democrat. I therefore approach the area of securities regulation with a great deal of sympathy with the rights of the little guy and a good deal less sympathy with those whom the Securities and Exchange Commission [SEC] Chairman Ray Garrett, Jr., recently referred to as "robber barons, princes of privilege, [and] malefactors of great wealth."[1] Moreover, as a civil libertarian, I have been primarily concerned with free speech, equal protection, and the due process rights of criminal defendants, with particular regard to indigents. I think it is fair to say, therefore, that I began my inquiry into securities regulation with a minimum of compassion for those who are regulated. Nevertheless, I was genuinely shocked with the implications of securities regulation practices and policies as they affect two inseparable concepts that must be of concern to all of us—the rights of individuals in a free society, and the independence of the Bar.

Let me begin with three propositions. The first is that the promoters of securities are entitled to the same constitutional rights as are the pushers of narcotics. The second is drawn from a quotation that I have used on a number of occasions in a rather different context. It comes from the *Harvard Civil Liberties/Civil Rights Law Review,* which stated: "It has become both professionally and legally dangerous to be a lawyer representing the poor, minorities, and the politically unpopular."[2] To that group that stands in professional and legal jeopardy, I would now add another category: attorneys representing members of the securities industry. My third proposition (and this one I would expect to be the least popular with this audience) is that the fault lies with the securities Bar itself. As one highly experienced and highly regarded securities lawyer commented to me, "The professional training of the New York securities Bar is to cave in." Another equally prominent authority said, "The securities Bar has abdicated its responsibilities to its clients in deference to the Commission."

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OPPRESSIVE POWERS

The Commission starts with the best of motives. In its view, it has an important job to do in the "public interest" and it has been provided with a grossly inadequate staff with which to achieve its goals. That, of course, is a familiar problem. I have heard the same justification given in virtually every case of police

abuse and every prosecutorial circumvention of constitutional rights with which I have been involved. The Commission has sought to resolve its difficulty in four ways. The first is by dragooning members of the private Bar, without benefit of Civil Service status, as federal police and prosecutors of their own purported clients. The Commission itself has observed that "this Commission with its small staff, limited resources, and onerous tasks is peculiarly dependent on the probity and the diligence of the professionals who practice before it."[3] Accordingly, "Members of this Commission have pointed out time and time again that the task of enforcing the securities law rests in overwhelming measure on the Bar's shoulders."[4] The SEC attorney has indeed become, in the phrase of Commissioner A. A. Sommer, Jr., "another cop on the beat."[5]

A second method used by the Commission is a system of investigation through the use of private spies and informers, euphemistically called "in-house compliance," which includes telephonic eavesdropping without any warrant or, indeed, without any basis that approaches a constitutional justification. To a great extent, that aspect of securities investigation is carried on under the auspices of the National Association of Securities Dealers and the New York and American Stock Exchanges. Although the activities of those organizations are commonly referred to as "self-regulation," they are in fact closely controlled by the SEC as an integral part of its enforcement process. Third, the Commission employs other investigatory and adjudicatory practices (discussed below) that are probably unparalleled in our jurisprudence for their open violation of basic rights. Fourth, the Commission depends upon intimidation of individuals, business firms, and attorneys through aggressive abuse of its power over the economic life and death of those subject to its jurisdiction.

For example, an investigation may be initiated and conducted without any notice to the person involved until he or she (and the rest of the world) reads about the commencement of formal proceedings in the *Wall Street Journal* or the *New York Times.*[6] The proceedings are conducted by staff members who combine the roles of investigator, prosecutor, and judge. Moreover, staff members have been known to harbor the attitude that respondents are "unworthy" of the respect due to any citizens by government officials and that they are therefore not entitled to basic rights.[7] It is also entirely possible that the administrative law judge will have received *ex parte* [one-sided] information and will be committed, prior to any formal hearing, to a conclusion of guilt. Illustrative of the attitude of SEC staff members toward the citizens subject to their regulation is the comment of Mr. Stanley Sporkin, Associate Director of the Enforcement Division of the SEC. When challenged at a public meeting with charges of violations of fundamental rights, Mr. Sporkin replied that such practices were justified because "these are the fat cats we are dealing with."[8]

"DUE PROCESS" VIOLATIONS

I have received numerous illustrations of violations of due process in the course of SEC investigations. For example, if a prosecutor were to discourage a witness from talking to a defense attorney, it would be grounds for disciplinary action. As stated in the American Bar Association publication, *Standards Relating to the Prosecution Function,* "A prosecutor should not obstruct communication between prospective witnesses and defense counsel. It is unprofessional conduct to advise any person to decline to give information to the defense."[9] The *Standards* explain

> Prospective witnesses are not partisans; they should be regarded as impartial spokesmen for the facts as they see them. Because witnesses do not "belong" to either party, it is improper for a prosecutor, defense counsel, or anyone acting for either to suggest to a witness that he not submit to an interview by opposing counsel. It is not only proper but it may be the duty of the prosecutor and defense counsel to interview any person who may be called as a witness in the case (except that the prosecutor is not entitled to interview a defendant represented by counsel).[10]

"The SEC depends upon intimidation of individuals, business firms and attorneys through aggressive use of its power."

Despite that clear rule, it is common for SEC staff members to instruct witnesses not to discuss their testimony with counsel for respondents, and, in at least one case, an attorney was threatened with being prosecuted for obstruction of justice simply for making efforts to interview a government witness.

A respondent may be subpoenaed without being given notice that he or she is a target of the investigation and may even be purposely misled into the erroneous belief that he or she is not the target. Respondents are also interrogated without being given advance knowledge of the contents of the order instituting the investigation against them. Such practices necessarily have the effect of depriving the individual of an adequate opportunity to prepare a defense and they increase the likelihood that the respondent will be trapped into making damaging errors in the course of the investigation. An attorney

who requests necessary time to prepare a defense or who invokes the attorney-client privilege may be asked rhetorically, "Are you saying your client won't cooperate?" In one case, when the attorney indicated that the client intended to invoke his constitutional privilege against self-incrimination, he was advised by the SEC staff member, "That's the best way to guarantee an indictment."

Despite the Commission's general insensitivity to the rights of those subject to its jurisdiction, it has been strangely solicitous to ensure that respondents use separate counsel. In fact, during an investigative hearing the Commission imposes a rule of sequestration [separation] upon counsel as well as witnesses, thereby making it impossible for a lawyer to represent effectively more than one party before the Commission. Those tactics have been defended on the ground of protecting the rights of respondents by preventing possible conflicts of interest on the part of the attorneys. The objective observer might well conclude, however, that the true motive is to divide and conquer or, at least, to subject the parties to enormous and unnecessary expense and place them at a severe tactical disadvantage. In a somewhat analogous case, a prosecutor in the District of Columbia was recently admonished by Bar Counsel for the Disciplinary Board for prejudicing the fair administration of justice by telling a prospective defense witness that the witness was exposing himself to potential prosecution and that he should seek his own counsel before testifying.[11]

"The phrase most frequently used by attorneys with experience in SEC investigative hearings was 'Star Chamber'."

RUINING REPUTATIONS

Another serious problem in securities regulation is prejudicial publicity. Indeed, it has been noted that "the relief sought by the Commission, even if granted, may not be as significant or as onerous a sanction as the publicity attendant upon the commencement of the proceeding."[12] Although one would expect, therefore, that staff members of the Commission would be particularly sensitive to the problem of ruining reputations by inconsiderate investigative tactics, the fact is precisely to the contrary. Potential witnesses have been told by SEC staff investigators, "We have reason to believe that Mr. Y is a crook, and that you are one of his victims." Not long ago, a staff member was quoted in *Business Week* magazine accusing a respondent in a pending proceeding as carrying on "the biggest rip-off" he had ever seen.[13]

The investigative hearing is frequently the most critical stage, for practical purposes, in the adjudication of guilt or innocence. Or, more accurately, if a decision is made to proceed to a formal hearing, that decision itself may well destroy personal reputations, corporate good will, and entire business ventures. I was interested to note, therefore, that without any prompting on my part, the phrase most frequently used by attorneys with experience in investigative hearings was "Star Chamber." Rights of examination and cross-examination of witnesses are severely restricted. Critical documents, including a copy of the order authorizing the investigation and defining its scope, are not provided to respondents in advance. They may be examined, but not copied, at the hearing itself. One attorney recounted how he had been "laughed at" when he asked for a copy of the charges against his client. Opportunity for rebuttal is rarely provided. In addition, the Commission has rejected recommendations by the Wells Committee[14] and by Milton Freeman[15] that it provide a right to be heard by the Commission before the Commission rubber-stamps a staff decision adverse to a respondent. Perhaps most importantly, the Commission has also rejected recommendations that it issue notice when proceedings have been terminated.[16] Thus, respondents are left in the untenable position of never knowing whether proceedings against them have ended or whether an indictment might issue many months or even years later. Such tactics impose tremendous and unconscionable pres-

COMING NEXT MONTH:

The March issue will feature an exploration of antitrust laws from two angles. In the lead article Prof. Henry G. Manne critically examines Sen. Philip Hart's "deconcentration" bill which would forcibly dismember companies which achieve successful positions within their industry, as measured by market share. And Mark Tier takes a speculative look at what might happen in the future if this antitrust philosophy were extended to its logical(?) conclusion, in a short story entitled "In the Court of Kingdom Come."

In addition, in our continuing effort to help readers protect their assets from the ravages of runaway inflation, art expert David Marcum provides a primer on fine art as an investment. Also included in the March issue: Tibor Machan's Viewpoint, a report from our South African correspondent, and all of REASON's regular columns and features.

sure to resolve the matter conclusively by entering into a consent decree with the Commission on its terms.

Where, in all of this, are the lawyers? What has turned the securities Bar from the attorneys' traditional role of champions of their clients into wholly owned subsidiaries in the enforcement conglomerate? Why, indeed, to quote the words of an SEC Commissioner, are "all the verities and truisms about attorneys and their roles in question and in jeopardy"? [17]

In order to intimidate the lawyers, the Commission uses what Chairman Garrett has confessed are "overly crude weapons."[18] He has explained that the Commission "keep[s] the pressure on the professionals" to do the government's job through "suitable incentives."[19] Those incentives include "rewards" as well as "punishments."[20]

The rewards consist of favored treatment to some lawyers in their appearances before the Commission. For example, some few attorneys do receive the opportunity, denied to others, to appear before the Commission before a staff recommendation is approved.[21] That, of course, represents a conscious effort to encourage lawyers to trade off the rights of some clients in order to curry favor with the Commission and thereby advance the rights of other clients. It also amounts to a denial of equal protection of the laws to the clients of those lawyers who are not so favored.

THREATS AND PUNISHMENTS

The punishments are directed toward intimidating attorneys into foregoing zealous advocacy on behalf of their clients. One attorney, engaged in vigorous defense of his client's rights, was advised by a staff member that he should "take a look at the National Student Marketing complaint," in which attorneys were named as respondents. Indeed, an attorney may appear before the Commission on behalf of a client, and receive no warning that the attorney is also a target of the investigation. Attorneys have been threatened with subpoenas in the course of hearings, and one attorney arrived at the Commission offices to represent a client, only to be served with a subpoena upon arrival.

The Bar at large has also been reminded that an entire law firm might be disbarred or suspended for a lapse on the part of a single firm member[22]—a sanction that is particularly vicious in view of the fact that disbarment or suspension may result from simple negligence without any showing of improper intent. In one case it was necessary for an attorney to go to the United States Court of Appeals to obtain reversal of a two-year suspension on a charge of improper conduct five years previously.[24] Although the court ultimately found the Commission's evidence to be insufficient to support a finding of impropriety, and directed the Commission to vacate its order against the attorney, the intimidating effect of such abuses of power is plain. The problem is further compounded by the vagueness of the standards applied by the Commission.[25]

The damaging impact of that kind of tactic upon the attorney-client relationship is illustrated by the comment of one client to an attorney after the attorney had given some overly cautious advice. The client asked, "Are you saying that for my protection or for your own?"

"The SEC supports the revolutionary notion that attorneys in the field of securities regulation should play the role of government enforcers and informers against their clients."

One of the most revealing comments that I have heard illustrating the unhealthy relationship between the Securities and Exchange Commission and the attorneys who practice before it was made by William L. Cary, a former Chairman of the SEC, in a speech at the Securities Regulation Institute Conference in San Diego. Mr. Cary had heard that, earlier the same day, I had criticized the Commission and the lawyers who practice before it, but he did not know that I had addressed myself to Chairman Garrett's system of "rewards and punishments." Unaware, therefore, that he was confirming my criticism, Mr. Cary related the story of an irate attorney who appeared at the Commission to protest that a staff attorney had been engaging in arbitrary conduct toward the attorney's client. With obvious approval, as well as relish, Mr. Cary quoted the staff attorney as saying, "Listen, if we weren't as arbitrary as we are, you wouldn't be as fat as you are." The high-minded moral that former Chairman Cary drew from that episode was, "So keep in mind that your practice depends upon what the Commission does." Having established that securities regulation attorneys reap financial rewards from the privilege of practicing before the Commission, Mr. Cary then went on to admonish the attorneys that they have a professional responsibility to "force" their clients toward "a process of disclosure."

REVOLUTIONARY NOTION

There are two justifications that are frequently suggested in support of the revolutionary[26] notion that attorneys in the field of securities regulation should play the role of government enforcers and informers against their clients rather than the traditional lawyers' role of counsellors and advocates. The first justification is that securities regulation frequently involves civil or administrative sanctions only, and not criminal penalties. It is contended, therefore, that

due process rights are inapplicable. The SEC has taken the position, however, that it has the power simultaneously to pursue civil, administrative, and criminal litigation against identical defendants in common fact situations.[27] Moreover, it is well established that governmental action that has the effect of impairing important property rights must comply with due process standards even in a purely civil context. Thus, before the government can terminate welfare rights,[28] permit garnishment of wages by a creditor,[29] permit replevin [recovery] of a television set,[30] or suspend a driver's license,[31] the affected party must be afforded both notice and an opportunity to be heard "at a meaningful time and in a meaningful manner,"[32] and "the fact that there is a later constitutionally fair proceeding does not alter the result."[33] Moreover, the court has specifically recognized that such rights must be respected where "any significant property interest" is affected, even though the deprivation "may only be temporary."[34] In the light of those principles, it seems clear that a business person should not be deprived of the property right represented by business good will, as a result of fundamentally unfair tactics employed by the Securities and Exchange Commission in an investigative proceeding.

"Securities regulation is characterized by denial of the right to counsel, a police-state system of investigation and a denial of other basic due process rights."

A second justification that is often asserted for compelling the SEC lawyer to work for the government rather than for his or her client is the notion that there is an essential distinction between the litigating attorney and the office attorney. What that argument ignores is that our legal system is basically an adversarial one, and every lawyer—whether drafting a contract, counseling in a business venture, writing a will, or performing any other service on behalf of a client—acts in such a way as to protect the client from being at a disadvantage in potential future litigation. Particularly should that be so, in a free society, when the potential adversary is the government itself. In that sense, and it is a crucial one, every lawyer is an advocate, irrespective of whether he or she ever enters a courtroom.

In elaborating the fallacious distinction between the litigating attorney and the office attorney, Professor Morgan Shipman, in his remarks at the San Diego Conference, adverted to Disciplinary Rules 4-101 and 7-102 of the *Code of Professional Responsibility.* His reliance, however, was misplaced. Under DR 4-101 the lawyer is required to preserve the confidences of the client. Even the lawyer who knows that the client intends to commit a crime is not required to reveal that fact, but is merely permitted to do so. It is true that DR 7-102(B)(1) says that a lawyer who receives information clearly establishing that the client has perpetrated a fraud must call upon the client to rectify the fraud. Further, the original ABA draft goes on to say that if the client refuses to rectify the fraud, the lawyer "shall reveal the fraud to the affected person or tribunal." Significantly, however, that quoted provision was put to a vote of the Bar in the District of Columbia (the jurisdiction in which the SEC is located), and by an overwhelming vote of the Bar, the clause was eliminated. Thus, although the lawyer does have an obligation to urge the client to correct any false statement to the SEC, the lawyer has no obligation to report the client to the authorities if the client declines to take the lawyer's advice.

EVILS OF REGULATION

In sum, therefore, securities regulation is characterized by denial of the right to counsel, corruption of the independence of the Bar and of the traditional professional standards of attorneys' obligations to their clients, a police-state system of investigation, and denial of a variety of other basic due process rights. Even if a balancing test were appropriate in such a context, what is there to place on the other side of the scale?

According to one commentator, the field of securities regulation has recently seen some "spectacular . . . failures" that rival any securities frauds prior to the passage of the federal securities regulation laws. According to the same commentator, in the last few years we have seen some "truly monstrous financial debacles," in which "hundreds of thousands of persons have lost hundreds of millions of dollars" through investments in securities that had received "the full treatment" under the securities laws. That is, indeed, a harsh judgment of gross failure of the securities regulation system. It is significant, therefore, that those observations were made not by some chronic critic of federal regulation, but by SEC Chairman Ray Garrett, Jr., in an address to the American Bar Association.[35]

Unquestionably, the government's purposes are beneficent and those responsible for securities regulation are well meaning. As Justice Brandeis once observed, however, "Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficent . . . . The greatest dangers to liberty lurk in the insidious encroachment by men of zeal, well meaning, but without understanding."[36] I do not feel competent to pass judgment upon the wisdom of regulating sales of securities, although my work has led me to develop substantial doubts. It is clear to me, however, that if securities regulation is to be undertaken, it is worth providing sufficient governmental resources to do the

job in a way that comports with due process of law, and in a way that does not corrupt the attorney-client relationship and gravely threaten the independence of the Bar, which is essential to the maintenance of a free society.

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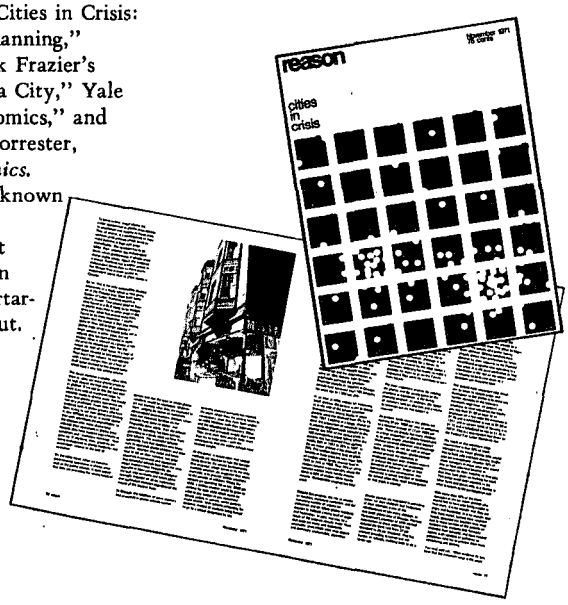

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_____ Storie grinder @ $43.00

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_____ Case L @ $20.75

_____ Case M @ $39.45

_____ Case N @ $47.65

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CONTENTS OF 12-MONTH MODULAR SUPPLY
37 Items plus 3 Books

ALL CANS ARE #10 SIZE (EXCEPT YEAST), EACH BEING SLIGHTLY SMALLER THAN A GALLON.

FOOD GROUP	QUANTITY OF CANS	NET WEIGHT IN POUNDS	NO. OF SERVINGS	REMARKS
PROTEINS				
Beef Flavored Textured Vegetable Protein (T.V.P.)	4	10	126	These four items are equivalent in proteins to 86 pounds of lean meat.
Chicken Flavored T.V.P.	2	5	63	
Ham Flavored T.V.P.	2	5	63	
Plain T.V.P.	2	5	63	
Whole Eggs, or Scrambling Eggs	2	6	192	Contents are of 192 eggs.
Peanut Butter	1	3	96	Based on ½ ounce servings.
Cheddar Cheese	1	3¼	104	Based on 1 ounce per serving.
Baby Lima	1	5½	57	Based on 4 ounces per serving.
Green Split Peas	1	5½	57	Based on 4 ounces per serving.
Soup, Beef Based	1	4½	100	Based on 6 ounces per serving.
Milk, Regular, Non-Fat, High Yield	12	48	920	After reconstitution with water, 230 quarts are obtained to provide 920 of 8 ounce servings.
FRUITS				
Apple Sauce	1	2¼	86	After reconstitution with water, these items are the equivalent to approximately 100 pounds of fresh fruits and provide about 500 of 3 ounce servings.
Fruit Mix	2	5	184	
Banana Slices	1	2¾	86	
Peach Slices	1	2	73	
Raisins, Seedless	1	4½	80	
VEGETABLES				
Stew Blend	1	1¾		After reconstitution with water, these items are equivalent to approximately 220 pounds of fresh vegetables and provide about 400 of 4 ounce servings.
Granulated Potatoes	2	12		
Peas, Green, Garden	1	2¾		
Tomato Crystals	1	2½		
Cabbage Dices	1	1		
Carrots	1	1		
Green Beans, Cut	1	1		
Soup Blend	1	1½		
GRAINS				
Corn Meal	1	4½	42	Based on 4 ounces per serving.
Rolled Oats	2	5½	84	Based on 4 ounces per serving.
Rice	2	11	186	Based on 4 ounces per serving.
Elbow Macaroni	1	3½	60	Based on 4 ounces per serving.
Cereal, Fruits and Nuts	2	6	105	Based on 4 ounces per serving.
150 Pounds of Whole Kernel Wheat, or other selection. (see "Notes")		150		Sufficient for 9½ ounces of bread or other items for 365 days.
FATS				
Margarine	3	9		Converts into 10 pounds after adding required water.
Shortening (Vegetable Type)	3	8¼		Converts into 9¼ pounds after adding required water.
SUPPLEMENTS				
Brown Sugar	2	10		Sufficient for 12 months.
White Sugar	2	12		
Salt	1	7½		Sufficient for 12 months.
Yeast, Active, Dry	1	2		Sufficient for 12 months.
Baking Powder	1	5		Sufficient for 12 months.
Baking Soda	1	6		Sufficient for 12 months.

NOTES:
1. All cans are enamelled #10 size (except yeast), each being slightly smaller than a gallon. Six such cans are packed in each case. The normal supply also contains 150 pounds of whole kernel wheat, packed in three bags, but this item can be omitted. If whole wheat flour or white flour are preferred, they must come in sealed cans, as they are otherwise not storable for an extended period.
2. The approximate weight and size of the supply (150 pounds of bagged whole kernel wheat, or 30 cans of flour included) is 400 pounds, and 18 cubic feet (about 2x3x3 feet).
3. Substitutions are often available. For example, if you prefer all brown sugar (or vice-versa), rather than our 50/50 mix with white sugar, we will make the change at no extra charge.
4. The regular non-fat milk listed above is not to be confused with instant milk, as our milk has twice the yield per can of instant milk.
5. Three books are included with the supply: PASSPORT TO SURVIVAL, CULINARY CAPERS, and FAMOUS MORMON RECIPES.
6. Price of the supply is as follows: With 150 pounds of bagged whole kernel wheat, $399.00. Without the wheat $382. With 30 cans of whole wheat or white flour, $449.00. Prices subject to change without notice.

FIVE OPTIONAL CASES:

CASE K – $41.70: 1 Gelatin, Citrus Flavor; 1 Gelatin, Fruit Flavor; 1 Tapioca; 1 Dessert Filling Mix; 1 Milk Shake Mix; 1 Egg Custard.
CASE L – $20.75: 1 Yam flakes; 2 Granulated potatoes; 1 Diced potatoes; 2 Mixed Vegetable Soup.
CASE M – $39.45: 1 Corn; 1 Spinach; 1 Celery; 1 Onions; 1 Carrots; 1 Stew Blend.
CASE N – $47.65: 1 Date Dices; 1 Fruit Cocktail; 1 Peach Slices; 1 Prunes; 1 Raisins; 1 Banana Slices.
CASE O – $54.80: 1 Shortening; 1 Margarine; 1 Butter; 1 Sour Cream; 2 Eggs, whole or scrambling.

editorial

PARTICIPATION, COOPTION, AND KNOWING WHAT'S RIGHT

Anyone with integrity has faced the problem of working with people and institutions opposed to one's ideals. When a culture is predominantly geared towards goals one knows to be wrong the problem is intensified. It would be useful to thresh out some of the details of this problem.

In private life it is not impossible to avoid working with people and institutions that stand in one's way. Many of us have faced the problem of standing up to parents or friends whose moral and political ideals we could not accept. Sometimes we had to simply sever relationships, some of them quite rewarding as far as they went. Learning of the price we were expected to pay--attend church, abstain from commenting on political issues, refrain from criticizing someone's ideas on race relations, etc.—it became impossible to continue without serious compromise. But in these personal matters the choice to simply leave, however emotionally taxing, is available to most people. The same is not the case with respect to a person's involvement with the legal and political features of his community. As our society is governed, a person cannot refuse cooperation with the business of the State. So those convinced of the primacy of liberty in political and legal affairs must come to grips with cooperating and working in the system.

The State today is involved, more or less, in all realms of human life. Artists, educators, engineers, airline pilots, foundation presidents—any person at work or at leisure must cope with the State or very likely perish. In contrast to disagreements with parents or business associates, it is impossible to just wait a while and walk away from the State. A person who wants to solve political problems must be attuned to the fine art of uncompromising yet unself-destructive cooperation within the system. The particulars of the complex contours of such cooperation are too numerous to list or even categorize. Each day, in every person's life, new instances of facing the problem emerge. Some of the more obvious questions one has to face concern paying taxes, using government funds made available by immoral legislation, utilizing governmental monopolies and special privileges, "contributing" to immoral military efforts, and so forth.

The questions are not simple and no a priori principle can provide precise instructions as to the correct answers. Each individual has to think through the problem in the light of the central goal we all face in life: to succeed, within our individual contexts, as human beings; to be happy; to sustain our self respect. The details could only be worked out after the closest possible scrutiny of a person's circumstances and goals.

One point is important to mention. Simply adhering to a political ideal will not equip anyone with the means for handling the problems under discussion. Being a libertarian or political individualist means to be committed to the principles of liberty in human interaction, to treating oneself and others as ends, not means to others' goals. One virtue of such a political position is its strictly limited scope. The principle of liberty, which identifies the limits of human interaction, does not serve to solve the problems we face where liberty is not at issue. When a person cooperates with another in producing a very bad play or airplane or whatever else, there is nothing in libertarianism that will guide one as to whether such conduct is right or wrong.

Nor can the question of how one should cope with existing coercion be answered by resorting to libertarian principles. When is overt tax-resistance appropriate? When would it simply incapacitate a person and ruin chances for more effective moves against oppressors? When should one join one's opponents so as to change their policies or at least hinder their destructive progress? When would this serve to make the opposition seem more tolerant, even accommodation to one's ideals?

Some argue that consistency—moral integrity—requires that an advocate of liberty totally withdraw from the works of the enemy. The refusal to participate in any measure is considered to be the only morally justified approach as some view the matter. Yet we need to know by what moral position is this considered the correct approach. Surely those who value human life, including, first of all, their own, would argue against this pacifist approach. By their code a spy could be a very responsible, good person. For them even a thief's help could be welcome in the attempt to overcome a murderer.

In recent months issues such as those in focus here have surfaced within the ranks of dedicated libertarians. Views on both the more general problem and some specific cases are surprisingly divergent. Thus, for instance, Ayn Rand has condemned wholesale the Libertarian Party, Robert LeFevre has denounced those engaging in politics, and Murray Rothbard has chided Alan Greenspan for the latter's participation with the Ford Administration. Outside these better known cases there are many less obvious but similarly focused feuds in libertarian circles, political or otherwise.

The explanation for a good deal of this seems to be the failure of many people to realize just how much work it takes to discover whether people are conducting themselves immorally. Those who consider it possible for people to learn what is morally and politically right fail, at times, to realize just what this view entails about *particular* moral and political judgments. The antiskeptical claim amounts to putting moral and political matters on the same footing with the various sciences. And it is clear enough that knowledge is by no means cheap where science is concerned. Hard work is required to identify principles and particular facts of reality. To pronounce someone immoral is to take on an enormous burden, in many ways comparable to charging someone with a crime. To make the charge stick usually requires elaborate proof.

Of course some cases of conduct are obviously immoral. This is comparable to the obviousness of certain facts, especially once general understanding of some field has been reached. But whether it is immoral for a person to join the Libertarian Party, to participate in political elections, or to go to work in some government institution—these are not among the obvious within the purview of morality.

To take just one case, Alan Greenspan is barely known to most of us. He published a few articles supporting the free society and he is known to be a personal friend of Ayn Rand. At present he is chairman of the Council of Economic Advisors in the Ford Administration. Since he has assumed that post, he has made clear his convictions about the best economic system and the kind of government he considers morally justified. He has been interviewed on public television and has said

(concluded on p. 33)

book review

Reviewed by SOLVEIG EGGERZ

CANCER: A NEW BREAKTHROUGH. By Virginia Wuerthele-Caspe Livingston, M.D. Los Angeles: Nash Publishing. 1974. 269 pp. $8.95.

After decades of research cancer still remains a brutal killer, the second leading cause of death in the United States. The traditional so-called cancer "cures" will not prevent cancer from killing a predicted 355,000 Americans in 1975.

The National Cancer Institute (NCI), which favors chemotherapy in its research, has come up with only 42 anticancer agents in nineteen years of research. At an annual cost of about $75 million NCI tests some 30,000 compounds each year, about three of which become drugs for human use. The other two orthodox cancer therapies are surgery and radiation. While radiation techniques have improved considerably in recent years, neither of these approaches is very effective as a "cure."

In the less than heartening words of NCI director, Dr. Frank Rauscher, Jr., "of the one hundred cancers that afflict man, about 15 percent of these can be treated extremely well, to the point of at least 50 percent five-year survivals." The extent of the failure of traditional cancer cures makes the reluctance of NCI to test "unorthodox" cancer therapies, such as Laetrile, hard to understand.

Until a couple of years ago immunotherapy was ignored by all but a few cancer researchers. Since the eminent immunologist, Dr. Robert Good, began experimenting with immunotherapy at the Sloan-Kettering Foundation, NCI and other parts of the cancer establishment have hailed immunotherapy as an effective approach to cancer.

As early as the late 1940's a group of microbiologists and physicians in this country were testing vaccine cures on tumor-ridden chickens. One of the doctors was Virginia Wuerthele-Caspe Livingston, M.D., who describes the opposition to immunology in her book, *Cancer: A New Breakthrough.* Dr. Livingston comments on an immunology congress she attended in Antwerp in 1958:

> All of these distinguished scientists had been carrying on research in the biological and immunological treatment of cancer for years. It is only now that the United States is beginning to catch up. Because of the suppressive action of the American Cancer Society, the American Medical Association and the Food and Drug Administration, our people have not had the advantage of European research. Also, the deliberate suppression of our work in this country has set cancer research back a number of decades.

In California, where Dr. Livingston practices medicine, all but the traditional cancer therapies—chemotherapy, surgery and radiation—are banned. In order to treat cancer patients with autogeneous vaccine, she must approach not the cancer but the "underlying chronic infection," a procedure which places the doctor in the position of circumventing bureaucratic edicts for the good of the patient.

Several doctors have been arrested in California for using Laetrile, the anti-cancer therapy derived from apricot pits. Those who wish to use unorthodox therapies must file an application to be approved under Section 505 of the Federal Food, Drug and Cosmetic Act.

"When such applications are filed," writes Dr. Livingston, "if there is disagreement as to efficacy of the proposed medication, there can be years that pass before such treatment can be approved. Therefore, such an application opens the door for the absolute regulation of treatment regardless of the harmlessness or lack of toxicity of the product."

IMMUNOLOGY FAVORED

The key idea behind immunology is to bolster the body's natural defense mechanism or immune system to the point where it can eliminate cancer cells in the same manner that it would fight other "invaders" such as tuberculosis. Dr. Livingston takes a dim view of cobalt and chemotherapeutic cancer treatments because of their suppressive effect on the body's immune system. Sharply critical of NCI's bias, she writes:

> In thirteen years the National Cancer Institute has spent five hundred million dollars and has tested 170,000 poisonous drugs for possible use in the fight against cancer. The results have been zero except in a few rare types of cancer.

While not endorsing Laetrile as a cancer cure, Dr. Livingston is a strong advocate of the cancer patient's right to freedom of choice when it comes to cancer therapy. Because Laetrile has been banned since 1963 in this country Americans seeking a Laetrile cure must travel to Mexico where Dr. Ernesto Contreras administers this inexpensive agent in his Tijuana clinic. "It is no wonder that our people flee from this country to Mexico and Europe where they can obtain a number of non-toxic and therapeutic agents not licensed in the United States. They are like leaves driven before the furious hurricane of cancer, seeking relief from pain," writes Dr. Livingston.

Despite a government Master Plan for cancer research and a dedication to discovery (which President Nixon had equated with the moon mission), there seems to be little attempt to synthesize the available knowledge on cancer. Instead, the jealous advocates of certain forms of cancer therapy are involved in power politics. Because some 40 percent of NCI cancer research grants are government controlled there is an element of rigidity in much cancer research which may preclude the serendipity that often precedes discovery.

Dr. Livingston advocates pooling the facts but adds that "unfortunately much of what is known is erroneous and much that is valuable, constructive and productive has been systematically repressed and interdicted." The adamant manner in which certain cancer treatments are defended and others rejected seems out of place given the still mysterious nature of cancer.

"Is the government to dictate to us what harmless substances we may or may not eat?" asks Dr. Livingston. "Must the cancer patient be forced to die in pain according to the edicts issued from Washington while we suffer the morbidity and destructive effects of the officially and bureaucratically approved chemotherapeutic agents?"

As long as government controls the course of cancer research the answer remains "yes." Strict FDA regulations with regard to drug research have effectively priced most of the drug companies out of the cancer research market. Thus, govern-

ment ban, bias and restriction have structured the research on an unknown to the point of stifling it. The gap between scientific revelation and government acceptance was more than two decades wide in the case of immunology. We may expect the same lack of dynamism in other areas of government run cancer research.

Solveig Eggerz is working on a Ph.D. in comparative literature at Catholic University. Formerly associated with Private Practice, *Ms. Eggerz is now a contributing editor of* Human Events, *and a regular contributor to the* Washington Star-News.

money $

DAVIS E. KEELER

SOUTH AFRICAN MINES—THE LABOR SITUATION

While the increases in the price of gold received by the South African mines are well known, any analysis of the fundamental position of these mines must also take account of their steadily rising production costs. Chief among these cost factors have been substantial increases in wages and salaries.

According to a report of the South African Reserve Bank,

Average salaries and wages of employees in the gold mining industry increased by no less than 32.5% during the three quarters to March 31, 1974, compared with a corresponding period a year ago. It increased only by 10.9% in [the period] 1972-73.

The increases in the average remuneration of black employees were substantially higher . . . that is 44.5% and 25.1% during the respective periods.

The South African mines have traditionally been labor intensive. Recent figures place the total work force at around 670,000 men, of whom perhaps 10% are classed as skilled labor. This division is largely along racial lines, Apartheid having been instituted largely at the behest of the white unions which wished to exclude the Bantu from competition for the higher-paying jobs. The economic function of these arrangements is indicated by the fact that the white unions have been willing to allow upgrading of black labor in exchange for larger white wage settlements.

South Africa has for a number of years been plagued by a shortage of skilled labor, a situation which has enabled the white workers to force up their wages substantially. As indicated above, of course, a certain part of that scarcity is artificially induced by the racial laws. As a consequence, the mine operators have been active in seeking to ease Apartheid's restrictions on their ability to upgrade their Bantu workers.

There has recently been concern in Johannesburg that there might be a serious contraction in the availability of black labor, the greatest part of whom are drawn from outside the Republic and attracted by the higher wages offered by the mines.

The government of Malawi, for example, has recently forbidden recruitment of blacks in that country as a result of an aircraft crash which killed 70 black mine workers. A potentially more serious problem may be posed by the leftist take-over in Mozambique, a state which currently provides 30% of the mines' black work force.

However, any interference with the flow of workers into South Africa would be very costly to the new regime since the wages sent home by these workers are of great importance to the stability of the Mozambique economy.

For their part, the management of the mines are acting to reduce their dependence on labor intensive procedures. Mechanization is being introduced at many stages and training programs are being used to increase the productivity of labor. The mines are also reassessing their labor utilization. For example, pipes and ventilation ducts are no longer reclaimed from worked out shafts if it is determined that the old equipment could be abandoned and new equipment purchased and installed more economically. In addition, experiments with automatic ore sorting equipment have proven profitable in resorting dump rock and it is believed that in due course they can be used to sort mine run ore. The Chamber of Mines has also been very active over the years in developing new equipment specifically designed for conditions in the South African mines. This research has even extended to the development of the so-called microclimate jacket which has led to a marked improvement in work performance in the high temperature environment of the deep mines.

In what is likely in part a result of these efforts, the above-cited report by the South African Reserve Bank states that though the quantity of ore mined increased significantly, the number of people employed in the gold mining industry had declined during the past year.

One commentator, G. M. Thain, who reports regularly from Johannesburg on the mining situation, states that even though the mining men there acknowledge that production could be adversely affected by labor shortages in the medium term, many consider that the industry could well emerge with much greater production based on a total black labor force of something like 50% of that at present.

* * *

Although the liberal media in the West, like the communist-controlled press in the East, paint the racial situation in South Africa in melodramatic terms, civil disorder does not appear imminent. It should be recalled that the Sharpsville riots, which were supposed to herald a great interracial bloodbath which would finally see the Boers swept into the sea by the aroused forces of New Africa, took place almost 15 years ago. Since that time there has been little internal disorder, despite a few "red scares" by the white Nationalist government. Recent disturbances at certain of the mines seem to have been of an inter-tribal, rather than interracial, character.

It should not be overlooked, of course, that the recent ascent to power of an apparently leftist regime in Mozambique may presage increased guerrilla activity against South Africa from bases in that country. To the extent that these guerrillas may pose the threat of a spectacular blow against some individual mine (and recall that many of these mines are peculiarly susceptible to flooding), an investor may prefer to spread his risk through investment in mining trusts rather than individual mines. How serious this threat may actually be is hard to assess, particularly given Mozambique's aforementioned economic stake in the wages generated by the South African mines. ◻

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- "Mines Aim to Get Along with Fewer Workers," *Ibid*, Oct. 17, 1974.
- "New Mining Techniques," *South African Digest* (Johannesburg), Oct. 18, 1974.
- "New Mining Techniques," *Mining Survey* No. 68, Chamber of Mines, Johannesburg.
- *Annual Report 1973,* Western Deep Levels Ltd., Johannesburg (1974).
- *The Mining Journal,* London, Aug. 1974.

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Davis Keeler's Money column alternates monthly in REASON with John J. Pierce's Science Fiction column.

foreign correspondent

KEYNESIANISM AND SOCIALISM IN MEXICO

Mexico City. The very first problem that a good observer of Mexican economic and social development faces is to classify Mexican political systems. The government vacillates from "left" to "right."

CONTRADICTIONS

One of the biggest mistakes of the Mexican government is inconsistency; this affects the economic development of the country. One day a Secretary will declare that the government will sell all government business and companies, next day another Secretary says the contrary. On the one hand, because it is necessary to encourage foreign investments, Ministers and even the President will visit other countries to interest foreign companies in opening branches in Mexico; on the other hand, important government representatives declare that foreign investments are terrible for the economic development of Mexico and must be stopped. These contradictory opinions frighten away new investments from national and foreign business.

THE ECONOMIC SITUATION

Mexico is a very good illustration of the failure of Keynesian doctrines, Government intervention, and increase of public expenditures. From 1971 to 1973 the public expenditures increased 220 percent. To cover these expenses the government increased the amount of money in circulation 48 percent. In accordance with Keynesian ideas the increase of public expenditures will increase goods, public services, investments, employment and economic activity. But reality shows that the result is a deficit in the public budget, inflation, higher prices, lower production and unemployment. In 1973 prices in general went up 30 percent and the percentage of working people went down 30 percent.

Mexican Government representatives find different causes to explain the bad situation, often blaming "world inflation," but excessive production of currency here in Mexico is the real reason.

THE PROBLEM OF THE FARMERS

Despite these factors, the industrial and commercial sectors have grown. The industrial sector grew 14 percent in 1973. But the agricultural problems offset the advances in industry. The agricultural system, very similar to that in Russia, the so-called "ejido" system, permits the farmers to work land that doesn't belong to them and in which they do not have an interest. As a result, 75 percent of the land in Mexico produces 25 percent of the national agricultural products. Only 25 percent of the farmers, those who own their lands, produce 75 percent. This confirms that the agricultural failures of the U.S.S.R., Chile, Cuba, and Mexico are not the result of the weather but rather of the bad political-economic systems that prevent the full development of agricultural property. The agricultural failure is clear but nobody accepts it and nobody has an interest in finding solutions to this problem (which causes the loss of millions of dollars and keeps 50 percent of the inhabitants poor and unproductive).

IDEOLOGICAL DISORIENTATION

In Mexico 99 percent of the books about social, political, and economic matters have a socialist tendency. The market system is used but intellectually unknown. There are many businessmen who look at the government as the solution to most problems. With very rare exceptions one could say there is nobody to talk in favor of the free market system. Research among students in the National University of Mexico shows that 80 percent of the students are against private companies. It is the result of the atmosphere created by books, magazines, teachers and public men which attacks the market system and capitalism.

At the present time there is an ideological fight in Mexico, a very important one that will establish the future of the country; those in favor of economic freedom must find a way to demonstrate that the free market is the best way to develop Mexico. Unfortunately they are very few and at the same time there are, day by day, more and more people teaching the socialist theories.

LUIS PAZOS

EDITORIAL (continued from p. 30)

nothing in that interview that contradicts his free market views; quite the contrary!

Of course Greenspan has done little to turn the present statist tide in Washington. Could he have done more? What should he have done? What should he be doing? What are the right ways to act in his position? Should he have refused the post? To answer any of these questions one must have a firmly grounded moral position, know the alternatives that faced Greenspan when he was called to Washington, know how much knowledge was available to him about the position he was to take, know the constraints on his job, know the kind of people he must deal with, and so on, leading into the particulars of Mr. Greenspan's situation.

It *is* possible to know what is right. It *is* possible to know whether another person has done the right thing in some situation. But anyone who does claim to possess that knowledge must stand ready with the arguments to show that he does know. Otherwise the claim is but an empty assertion, fostering antagonism, resentment but no understanding or progress.

TIBOR R. MACHAN

DETERMINISTIC DIET

When Behaviorist B. F. Skinner
Was in psychology just a beginner,
He so conditioned a rat
To behave as a cat,
That it ate itself up for its dinner.

J. Curran

AT THE FEEDER

All morning a bird
has been watching me
from the feeder—a wren
too nervous for song,
too pale to be a spectacle,
too tiny to do wrong.

He knows I am
the supplier of seeds,
careful tender of the birdhouse,
warm and safe in my
white and windowed
excuse for a nest,
having mercy on
his winter needs.

David Bissonette

movies

• Chalk up another probable Oscar nomination for Dustin Hoffman. His portrayal of the late Lenny Bruce in the film biography **LENNY** is a masterpiece of total characterization. Whether he succeeded in capturing the real Lenny Bruce is open to debate, but he has certainly created a believable one. The film traces the iconoclastic comic's career from its beginnings in the early 1950's to his tragic suicide fifteen years later. It clearly delineates the ruthless suppression of his freedom of speech and other civil liberties at the hands of a repressive legal and judicial system. The courtroom scenes, with their array of "reasonable" people enforcing blatantly irrational laws, are chilling sights to behold, especially considering that the system that drove Lenny Bruce to his death really hasn't changed that much. But the movie will not provide much comfort to those who view Lenny Bruce as some kind of saint. In addition to talent, perseverance and courage, he is shown to have possessed streaks of cruelty, insensitivity and vindictiveness, especially toward his wife (whose emotional disintegration is superbly portrayed by Valerie Perrine). Lenny also appears during his last years as an obsessive monomaniac whose comedy routines turned into rambling, moralistic lectures that alienated friends and audiences alike. Bob Fosse's direction makes effective use of flashbacks, flash-forwards and intercuts to illuminate the progression and regression of Lenny's character. But it may have been a mistake to shoot the movie in black-and-white; this device seems to make the events more distant and remote from present-day life than they really are. *Lenny* is really a mirror held up to contemporary society and the way it treats its nonconformists; and as such, the story of Lenny Bruce is still as relevant today as it was a decade ago. Rated "R."—**Charles F. Barr**

• Ingmar Bergman's **SCENES FROM A MARRIAGE** is, not surprisingly, descended from the drama of sexual conflict of Strindberg and Ibsen. It is a worthy, if somewhat subdued, heir. Throughout the film we are reminded of its ancestry: the husband quotes Strindberg and attends a performance of Ibsen with his wife (Liv Ullmann), and at one point Liv Ullmann reacts with terror at the slam of an off-screen door as her husband walks out on their marriage, ironically recalling Nora's exit from *A Doll's House*. At first Ms. Ullmann too appears to live in a doll's house of marital bliss, secure in her middle-class professional home, deferring to the stronger personality of her husband. She is a lawyer specializing in family law and he is a professor. As the film follows their separation, divorce and casual, comfortable affair many years later, their complex feelings about each other, their mutual disappointment, continuing need, friendship and affection for each other and the self-realization generated by their experience are revealed in a series of articulate, intelligent dialogues ("Scenes" is really a misnomer). Ms. Ullmann emerges as the stronger, more completely aware character, and the film belongs totally to her. She must surely have the most expressive eyes and face of any actress ever to appear on the screen. Her subtle, sensitive performance, after several disappointing American films, is perfect. Rated "PG."—**James F. Carey**

Jack Lemmon frantically types up a story for THE FRONT PAGE as Walter Matthau and Susan Sarandon wait impatiently.

• Jack Lemmon and Walter Matthau, the original movie Odd Couple, team up again for some snappy patter and nostalgia high-jinks in **THE FRONT PAGE**. Adapted from the 1928 stage comedy, the movie centers around the newspaper coverage of an impending execution. Lemmon plays a happy-go-lucky ace reporter, torn between a fast-breaking story and an impatient fiancee. Matthau is his domineering, unscrupulous editor, who will pull any string and play any dirty trick to keep Lemmon on the job. Carol Burnett is suitably frantic in an off-beat role as the condemned man's girl friend, while Susan Sarandon has little to do as Lemmon's fiancee. The movie advances at a break-neck pace, with enough twists and turns in the plot to keep the audience absorbed. These virtues are somewhat offset, however, by a severe lack of depth, sufficient to make it impossible for the audience to identify with any of the characters. Austin Pendleton, as the condemned man, is the closest thing to a real person, probably because he seems to know the least about what's going on. The script by Billy Wilder is bright and energetic, if a bit excessive in its use of mild profanity. The sets appear to have arrived in a time capsule from a 1930's movie, as do most of the acting styles. All in all, *The Front Page* is a diverting and entertaining film, but not an especially memorable one. Rated "PG."—**C.F.B.**

• **A WOMAN UNDER THE INFLUENCE** belongs to Gena Rowlands, but it is a dubious honor. Her Mabel Longhetti is a sensitive, loving, somewhat eccentric woman, devoted to her children and, for some inexplicable reason, to her husband, Nick (Peter Falk). Nick displays affection in his mindless fashion by continually screaming at her and knocking her about. Compounding his incredible stupidity is that of her shrill mother-in-law and her physician. Nurtured in such an environment, she quite naturally loses her mind. Returning from six months in a hospital, Mabel is greeted by the same old gang, who are none the wiser for what she has been through. Before the day is out Nick is again screaming at her and knocking her to the floor, but this time, director John Cassavetes suggests, she is going to brave it and pull through. Why she would want to is anybody's guess. It is an awkwardly made film, badly written and improvised, inarticulate, generally pointless, and peopled by amateur actors, many of them relatives of Cassavetes and Ms. Rowlands, most of whom perform badly. Gena Rowlands performs beautifully, brilliantly, considering the material, but even her extraordinary talent cannot raise this film to the level of a worthwhile failure. (Not rated.)—**J.F.C.**

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trends

OCEAN MINING CLAIM FILED

Minerals lying on the bottom of the sea in international waters are unclaimed property, available to whomever makes the effort to obtain them (see "The Seabed Power Struggle," REASON, July 1974), despite the emotional complaints of Third World diplomats. Just exactly this point has now been put forward in the form of the world's first ocean mining claim, filed on Nov. 15, 1974 by Deepsea Ventures, Inc. of Gloucester Point, VA. Deepsea's president John Flipse filed a "Notice of Discovery and Claim of Exclusive Mining Rights, and Request for Diplomatic Protection and Protection of Investment" with Secretary of State Kissinger, and recorded a copy at the Gloucester County Circuit Court. In addition, copies of the complete data package were sent by registered mail to the principal U.S. Cabinet members, the Senate and House committees concerned with maritime issues, ambassadors of the leading maritime countries, leading oceanographers, and a number of other firms engaged in or interested in ocean mining.

Deepsea's claim asserts exclusive rights over a deposit of manganese nodules in the northeastern Pacific Ocean, establishes the priority of the claim in time and as to other seabed resource uses, and describes the nature and location of the activities associated with lawful exercise of the rights. The claim sets forth the coordinates of the 60,000 square kilometer tract and notes that it is on the deep seabed, "beyond the limits of seabed jurisdiction presently claimed by any state." Deepsea states that it will commence commercial production within 15 years, for a production period of 40 years. Based on legal research indicating that the company has validly established the exclusive rights claimed, under international law, Deepsea asserts that it now has "the exclusive rights to develop, evaluate, and mine the Deposit and to take, use, and sell all of the manganese nodules in, and the metals derived therefrom." The claim also makes it clear that "Deepsea does not assert, or ask the United States of America to assert, a territorial claim to the seabed or subsoil underlying the Deposit." But it does ask for "diplomatic protection" in terms of U.S. policy (presumably referring to future sessions of such bodies as the U.N.'s Law of the Sea Conference, scheduled to reconvene in Geneva next year). The claim quotes existing U.S. Government policy statements to the effect that mining of the deep seabed is a high seas freedom under existing international law.

In short, it looks as though an important precedent is being set, in favor of private property rights on the seabed. It is to be hoped (1) that other ocean mining companies follow Deepsea's principled example, and (2) that the U.S. Government doesn't interfere, either directly, or by lending any kind of support to U.N. attempts to collectivize the seabed.

SOURCE:

- News release and data package issued by Deepsea Ventures, Inc., Nov. 15, 1974.

FIGHTING THE AIRLINE CARTEL

The two airlines which have been trying for several years to undercut the government-sponsored international airline cartel (see "On Saving Dinosaurs," REASON, Nov. 1974) have each taken new actions to attempt to begin service. Air Europe International, which plans Tijuana to Luxembourg service, has sent out a letter to travel agents stressing that the operation is legally outside the CAB's jurisdiction, and announcing plans to start service early this spring. The CAB, meanwhile, has issued a "notice of proposed rulemaking" which would amend the law to require that the CAB grant a specific permit for any air carrier operating aircraft of foreign registry on flights over U.S. territory (which AEI must do). The permits could be granted only if the CAB found such flights to be "in the public interest." A CAB official has admitted that that phrase "gives the board great latitude" to disallow anything it doesn't like. If AEI is prohibited from overflights, the extra distance involved in flying around the U.S. would wipe out much of its planned 70 percent cost advantage over current airline cartel members.

Meanwhile, Laker Airways of England filed suit in October against Pan American, TWA, British Airways, and British Caledonian, on grounds that the four airlines conspired to prevent Laker from establishing its low-fare transatlantic "Skytrain" service. The suit hinged on a specific clause in the four airlines' government-sanctioned capacity limitation agreement. Within two weeks of the suit's filing, the four airlines dropped the offending clause and the suit was withdrawn. Approval of Skytrain, however, still awaits action by President Ford. The Aviation Consumer Action Project has spoken out in favor of Skytrain, on the grounds that free competition, as represented by Laker's attempt to buck the cartel, is in the consumer's best interest.

SOURCES:

- "Air Europe Tries Again," Harold D. Watkins, *Los Angeles Times,* Nov. 5, 1974.
- "Overflights," *Aviation Week,* Nov. 11, 1974, p. 13.
- "Four Airlines Sued by Laker," *Aviation Week,* Oct. 21, 1974, p. 24.
- "Laker Withdraws Suit," *Aviation Week,* Nov. 11, 1974, p. 25.

CAN TRUCKING BE DEREGULATED?

Many pessimists argue that the special interests of those receiving government favors (such as regulated truck lines that are shielded from competition by the ICC) are so strong as to make real reform well-nigh impossible. Thus, they would argue that despite calls for deregulation by FTC chairman Lewis Engman (see "Trends," Jan. 1975) and President Ford's call for a National Commission on Regulatory Reform, nothing much will actually be done.

Yet in recent months the case for deregulating trucking has been getting considerable exposure, fueled in part by recognition of the role of truck regulation in (1) keeping prices higher than necessary, and (2) wasting energy—both highly charged issues today. Thomas Gale Moore of the Hoover Institution estimates that ICC trucking regulation cost consumers some $10 billion in 1968 and nearly $15 billion in 1974, due to inefficient use of trucks and the resulting inefficient use of rail transportation. John R. Meyer of Harvard and the National Bureau of Economic Research notes that in addition to these static inefficiencies the "dynamic inefficiencies" (due to locating factories in economically wrong places and building too many highways) may be even larger. The Federal Task Force on Rail Productivity concluded that the ICC, by regulating trucking, is restraining competition, in effect creating "local monopolies" in what should inherently be a highly competitive market. Prof. James C. Nelson (who has been urging deregulation for 30 years) points out that trucking regulation originated out of Depression-era fears that have now been frozen into our economic system. "Why regulate an industry of 17,000 firms?" he asks. "Let the market regulate." And Prof. James R. Nelson of Amherst emphasizes the lack of service options produced by regulation, and the industry's wasteful overcapacity. The Department of Transportation is about to release a study that will "explode the whole myth of cross-subsidization" of rates, i.e., the argument that controls are needed to force trucking firms to subsidize service in remote areas out of their urban-area revenues. And the Office of Management and Budget is making an inventory of the cost of various ICC (and other agency) regulations.

Will all this logic and evidence have any effect? It's difficult to say, but *Business Week* recently laid out a possible program of reform, encompassing the following:

- *Greater freedom of entry*—shifting the burden of proof on the "need" for new service from the applicant to the existing truckers, and allowing lower cost to be considered as a factor in this decision.
- *More flexible rate-making*—allowing railroads to lower rates to compete with truck lines.
- *Fewer restrictions on cargoes*—ending the rule forbidding truckers to pick up cargoes on return trips (thereby saving fuel and reducing highway congestion).
- *Rationalization of routes*—ending the "gateway restrictions" which prevent many carriers from taking direct routes (again, wasting fuel and increasing costs).

The benefits of deregulation are evident: Britain, Australia, and Canada have largely deregulated trucking and have obtained the benefits of competition – better service and lower rates. And agricultural trucking in the U.S. has never been under ICC control, with the same results. It's high time the sacred cow of ICC trucking regulation received the coup de grace.

SOURCES:

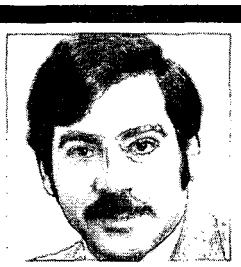
- "The Economic Case for Deregulating Trucking," *Business Week,* November 2, 1974, p. 86.
- News item, *Research Institute Recommendations,* Sept. 20, 1974.

ENDING THE POSTAL MONOPOLY

Criticism of the government postal monopoly appears to be reaching a new peak. A House small business subcommittee recently charged that in its first three years of operation as a quasi-public corporation, the Postal Service (USPS) has abused its special legal position and "has failed to noticeably improve the quality of mail service." Further, "its operating deficit has doubled and the cost of first-class mail has increased by 25 percent." The subcommittee logically enough called for ending the USPS's monopoly status.

Another illustration of USPS incompetence was revealed in November by the General Accounting Office. The GAO investigated the $1 billion mechanized system that USPS is developing to handle packages. GAI's report noted that the new system will in many cases result in *slower* delivery of parcels, especially those traveling 600 miles or less (which make up some 58 percent of the total volume). Further, the delivery standards being set by USPS do not match those of United Parcel Service, the government's principal competitor, which may help to explain why the Postal Service keeps losing business to United Parcel. USPS parcel post volume has dropped from 644 million in 1969 to 475 million in 1973.

The case for extending postal competition to first class mail is argued comprehensively in a recent study by John Haldi and Joseph Johnston, sponsored by the American Enterprise Institute. The authors review the history of the private express statutes (which outlaw competition in carrying letters), and describe the types of competition which *are* currently permitted. They then project the types of competition which can be expected when the private express statutes are repealed, and discuss the related policy issues. They conclude that virtually everyone would benefit if private companies were allowed to compete with the government. They find specious the argument that private operators would "skim the cream" by providing only the most profitable classes of mail; this argument implicitly admits that rates charged to some users reflect monopolistic exploitation. They urge instead that the public should be protected from monopolistic practices by a policy of free competition. Because new competitors would have to charge less and/or provide better service in order to attract business, they would have to keep their operating costs (in-



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cluding taxes, which USPS does not pay) low. The result would probably be the introduction of many cost-saving innovations, such as those introduced by the private companies now delivering parcels and third-class mail.

SOURCES:

- "End Monopoly of Post Office, Study Urges," UPI (Washington), Feb. 28, 1974.
- News item, *Los Angeles Times,* Oct. 22, 1974.
- "$1 Billion System Slows Parcel Delivery, GAO Says," UPI (Washington), Nov. 8, 1974.
- *Postal Monopoly: An Assessment of the Private Express Statutes,* John Haldi and Joseph F. Johnston, Jr., American Enterprise Institute for Public Policy Research (1150 17th St., Washington, DC 20036), 1974, 70 pp., $3.00.

MILESTONES

- *Transportation.* One more taxi monopoly has bitten the dust. The Los Angeles City Council has ended Yellow Cab Company's 40-year monopoly on pickup of passengers at Los Angeles International Airport and its 39-year monopoly in the city's central core. The moves are part of the Los Angeles Department of Public Utilities and Transportation's master plan to "spread competition throughout the city." Unfortunately, the plan does not call for complete laissez-faire. In most portions of the city only *two* companies will be franchised, rather than one as in the past. At the airport all franchised cab companies will be allowed to make pickups after delivering other passengers, although only two (Yellow and Red Top) will be allowed to maintain regular stands. Still, the plan is a step in the right direction. (Source: "Airport Taxi Monopoly Ended by City Council," Erwin Baker, *Los Angeles Times,* Aug. 29, 1974)
- *Education.* Britain's first privately-financed university is being set up, in competition with the country's 45 state-financed universities. The new school's backers include 100 dons and teachers who four years ago signed a declaration calling for a university totally independent of the state. They argued that the autonomy of existing schools was restricted, since "he who pays the piper calls the tune." The school is to be established in Buckingham early this year, with 120 students and a planned enrollment growth to 3000 within 10 years. All costs will be met by student fees and endowments. The emphasis will be more on teaching than on research, and the traditional four-year program will be shortened. The backers are currently seeking to raise $3 million in start-up capital. (Source: "First Privately-Financed University Due in Britain," Copley News Service (London), Aug. 11, 1974)
- *Racial Discrimination.* Special university admissions policies favoring minority students have been ruled unconstitutional by a Superior Court judge in California. The case was brought by a 34-year old Sunnyvale engineer who sought admission to the school of medicine at the University of California at Davis. The plaintiff charged "reverse discrimination" because he was rejected while minority students with poorer records were accepted. The judge, though stating that this contention "has not been sustained by the evidence," nonetheless ruled that the special admissions program (similar to many others across the country) violates the equal protection clause of the 14th Amendment. If the decision is upheld on appeal, it would jeopardize any admissions policy which uses race as a criterion. (Source: "Minorities Admissions Policies Called Illegal," William Trombley, *Los Angeles Times,* Nov. 28, 1974)

This column reports trends in the advancement of individual liberty and the rediscovery of economic freedom. Readers are invited to submit material of potential interest.

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Morality, Henry Hazlitt maintains, is essential to the survival and functioning of human society, and the basis of morality is social cooperation. While cooperation serves the interests of the whole of society, it is also the great means by which the individual is able to best serve his own interests. Within this framework the long-run interests of the individual and those of society coincide.

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Hazlitt clarifies such issues as equality and inequality, free will and determinism, egoism and altruism, rights, and morality and religion. He skillfully contrasts the ethics of capitalism and the ethics of socialism and argues that the former promote freedom and justice and embody the cooperative ideals which lie at the heart of the good society.

This book, which is in the great line of utilitarian thinking that comes down from Hume, Adam Smith, and Bentham, is lucid, persuasive, and soundly argued.

John Chamberlain

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frontlines

FOLLOW-UP ELECTION SUMMARY

Eric Garris reports: The following is a continuation of the election summary in the January issue. We only received significant additional information in four states: California, Maryland, New York, and Washington.

CALIFORNIA

☐ **John Hospers,** Libertarian Party (LP) write-in candidate for Governor received slightly under 2000 votes. The exact number will be known in late December (after press time) when all counties report in. Hospers placed first out of all write-in candidates for Governor, beating a conservative Republican State Assemblyman who lost the primary (Floyd Wakefield), the Socialist Workers and Socialist Labor Parties candidates, and several independents. His total was about twice the number of votes he received for president in 1972 in California. In some counties, he did three to four times as well as in 1972. Other LP Statewide write-ins received between 800 and 1200 votes. Exact figures will be reported in the next issue.

MARYLAND

☐ **Ann Shoch,** a libertarian running as a Republican for State House of Delegates in Prince Georges County ran 5th out of 6 candidates for three seats. She received about 41 percent of the vote.

☐ **Bruce Hoffman,** an Independent running with libertarian support for State House of Delegates in Baltimore County received about 2000 votes. He ran 6th out of 6 candidates for 3 seats but we have no percentages reported.

NEW YORK

☐ **Jerry Tuccille** running for Governor, and **Louis Sicilia** running for Lt. Governor on the Free Libertarian Party (FLP) line received 10,503 votes, placing 6th out of 10 candidates. Other than the four major party candidates, they were beaten only by the Courage (American) Party ticket with 12,459 votes. The Socialist Workers Party (SWP) followed the FLP with 8,857 votes. In New York City, Tuccille and Sicilia placed first of the minor parties with 5,899 votes followed by the SWP with 3,709 votes. Tuccille ran a very active campaign, spent $65,000, and got more news coverage than any of the other minor parties.

☐ **Robert Flanzer,** running for Comptroller on the FLP line received 10,535 votes, placing second in the minor parties, beaten by the SWP with 14,504 votes.

☐ **Leland Shubert,** New York FLP State Chairperson, running for Attorney-General on the FLP line received 8092 votes, placing third in the minor parties.

☐ The FLP ran two candidates for the two Court of Appeals seats that were up statewide. **Jack Martin** received 14,779 votes and **Mel Hirshowitz** received 13,826 votes. Martin's total represents the highest vote total received by a minor party candidate for a statewide office in New York. Martin and Hirshowitz were the only minor party candidates running for these offices.

☐ **Sandy Cohen,** running for Congress in the Poughkeepsie area received 1881 votes for 1.17 percent of the vote. He received 1400 votes for 2 percent in his home county of Dutchess.

WASHINGTON

☐ Earlier totals for **Skip Barron** and **Richard Dyment** running for State Legislative districts were overestimated. With final totals in, Barron received about 12 percent of the vote and Dyment received about 4 percent of the votes. Barron's total is reportedly enough to put the Libertarian Party on the ballot in Washington State.

EXECUTIVE COMMITTEE MEETS

The Executive Committee of the **National Libertarian Party** met over Thanksgiving weekend in Washington, DC to consider a number of matters. Five new state parties were affiliated—Indiana, Connecticut, Kansas, Oregon and Arkansas, and plans were made for setting up a Washington, DC Liaison office and to also form a "Council of Economic Advisors" to prepare legislative recommendations for the Libertarian Party.

The Execom spent several hours analyzing the 1974 election campaigns and what could be done in the future to combat the generally poor vote totals. One of the few specific recommendations was to run more women candidates since they seem to do consistently better with the media and the voters than male candidates. An Election '76 Committee was set up to begin preparing for the Presidential Election: **Gary Greenberg** was elected coordinator for the Presidential Election Committee, **Bob Meier** was named director of the "Liberty '76" campaign fund, and **Eric Garris** was named National Organizing Coordinator with the task of helping state parties to get on the ballot wherever possible (he estimates the LP could be on the ballot in at least 25 states in time for the 1976 elections. Persons interested in doing organizing should write to Garris c/o LP of Santa Barbara, 294 Via El Encantador, Santa Barbara, CA 93111).

In other business the Execom voted to hold the 1975 National Convention (which will nominate the LP Presidential and Vice-Presidential candidates) in New York City on Labor Day weekend, 1975—the Free Libertarian Party will host the convention, which promises to be the biggest and best libertarian convention ever. For further information on the Libertarian Party, its newsletter, its projects, etc., please contact the national office at 550 Kearney Street, San Francisco, CA 94108.

Photo Credit: David Long

Members of the LP Executive Committee discuss business. From l. to r.: John Kraft, Andrea Millen, Ed Crane (chairman), Bill Westmiller, Dave Nolan, Porter Davis, David Long, and Bill Susel.

NOTES

A free market/libertarian oriented study group for Washington-based legislative aides to U.S. Senators and Congressmen is now in the process of being organized. If you are interested please contact **Christopher Grieb,** 5362 Maxwell Dr., Camp Springs, MD 20023, phone (301) 449-5646 . . . The 1975 State Convention of the **Libertarian Party of Washington State** will be held Jan. 24-26 at the University Towers Hotel in Seattle. For further information contact the LPWS, P.O. Box 2096, Seattle, WA 98111 . . . On February 4 **Jean Berkman** will speak to the **Libertarian Supper Club of Los Angeles** about the libertarian take-over of the California Peace and Freedom Party. For further information contact **Lloyd Licher,** 12536 Woodbine St., Los Angeles, CA 90066, phone (213) 390-4440 . . . **The Society for Individual Liberty** has designated April 12, 1975 as Tax Protest Day and it plans to celebrate the occasion appropriately. For information on scheduled events please write to S.I.L., P.O. Box 1147, Warminster, PA 18974 . . . **The Thirteenth Amendment Committee** is now being organized for the purpose of initiating lawsuits against violations of the 13th (anti-slavery) Amendment; their first project will be to bring suit against involuntary jury duty. The Committee is currently seeking members and lawyers nationwide. Dues are $2.00 per year; for further information please contact **Michael Morrison,** P.O. Box 5539, Sherman Oaks, CA 91413. ◻

viewpoint

KENNEDY CONNECTION: CHAPPAQUIDDICK REDIVIVUS

It won't go away, not in the five years since it occurred. Nor has Sen. Edward Kennedy's Shermanesque withdrawal from the presidential sweepstakes of '76 quieted the issue. Chappaquiddick lives. What surprises is the arenas in which it lives.

Human Events, the premier conservative weekly, contains in a recent issue a biting piece on the 1969 incident, by David Franke of Arlington House publishers. It is a tough and probing article, but its location is not unexpected, since *Human Events* has every practical and philosophical reason imaginable for wanting to keep Kennedy's connection with Mary Jo Kopechne vivid in the minds of its readers.

It is not merely that this was an anniversary of sorts; the event happened just about five years ago, in the late summer of 1969. It seems instead to be some sort of Watergate-connected matter, a kind of let-us-clean-house-all-over-the lot affair. First the *New York Times Magazine* undertook a shattering investigation of the discrepancies between the senator's version of what happened, and what actually seems to have happened. This some several months ago.

Since then, perhaps owing to the legitimatization of the issue conferred on it by the liberal *Times* probe, other journals have gone back and looked anew at the case. Most recently, in late-October, the major New England daily, the prestigious, very liberal *Boston Globe,* has undertaken an extended series of articles reviving the Chappaquiddick incident, including an interview with Senator Kennedy. Following upon which, the next day, *The Globe* pointed up places where the senator's interview statements, and some made at the time of the inquest into Miss Kopechne's death, conflict. *The Globe* has for so long been in on the Kennedyolatry that blights this state, that its willingness now to ask the hard questions and make the hard and ugly observations is notable.

Both then, at his well-prepared TV address, written for him by his retainers and toadies, and in the *Globe* interview now, the senator called his action "inexcusable, inexplicable." Somehow Massachusetts managed to excuse it and overwhelmingly returned him to the Senate in 1970. It will do the same two years hence, unless circumstances—such as the likelihood of a Wallace nomination unless Ted Kennedy stepped in to rescue his party—dictated a presidential instead of a Senate race.

The parents of Mary Jo, Mr. and Mrs. Joseph Kopechne, are reported to be "upset" by the fact that nobody will "speak up" about what happened. "Sometimes I'd like to scream a lot but I'm trying to hold it back," Mrs. Kopechne told *The Globe.* They collected nearly $150,000 from Senator Kennedy's insurance policy —he was insured for about one million dollars, and gave not a cent of his own money to the Kopechnes—and have moved into a fancy house with what they received. For a long while the official story was that the Kopechnes were satisfied by the Kennedy version. Now, evidently, they no longer are. But what are those "blanks in the story"?

Among them: 1) What did Kennedy do during those nine hours after the car went off the bridge and before his reporting of it to authorities?

2) Was there really a concerted rescue attempt by Kennedy's buddies?

3) If so, why didn't they tell the police about the car in the water?

4) Why did Kennedy wait a week to tell his story on TV?

5) Why did Mary Jo leave her pocketbook at the cottage containing the keys to her motel room if, as the official version goes, Kennedy was taking her back to meet the ferry so she could return to her motel room?

6) Why wasn't an autopsy performed immediately?

The questions don't end there, but that's enough for starters. The gaps are wide, the holes mysteriously unplugged even now, and the last thing Senator Kennedy seems ready to do is plug them. And when even a Kennedy-adoring journal like *The Boston Globe* gets in on the reexamination, one suspects that the issue won't die until the senator tells all. ◻

DAVID BRUDNOY

David Brudnoy teaches history at the University of Rhode Island and is a CBS "Spectrum" commentator. Dr. Brudnoy's viewpoint appears in this column every third month, alternating with the viewpoints of Murray Rothbard and Tibor Machan.

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publisher's notes

• **MASTHEAD CHANGES:** Since 1971, REASON has had a policy of periodically rotating editorial positions among its major editors. Lynn Kinsky, Manuel S. Klausner, Tibor R. Machan and Robert Poole, Jr., have each served a tour of duty as Editor-in-Chief in the past four years. As reflected on the masthead this month, REASON inaugurates a new listing of titles with this issue: Kinsky, Klausner and Poole have each been assigned the title Editor, while Machan retains his title of Senior Editor. Kinsky, a sociologist currently pursuing graduate work at University of California, Santa Barbara, had served as Editor-in-Chief since July 1974; Klausner, a trial attorney with a major Los Angeles corporate law firm, had held the position of Publisher & Editor since October 1973; Poole, a systems engineer and consultant, had been Executive Editor since July 1974; and Machan, Senior Editor since October 1973, is assistant professor of philosophy at State University of New York, Fredonia. No change of policy is signified by these new editorial assignments, and the editors will all continue to strive to put out a lively, informative and worthwhile magazine.

• **MASTHEAD ADDITIONS:** This month's issue contains the first report from REASON's new Mexican correspondent, Luis Pazos. The newest addition to REASON's world-wide network of foreign correspondents, Pazos is an attorney who teaches political economy at the Free School of Law in Mexico City, is on the faculty of the law school of the National University of Mexico, and is director of the Institute of Latin American Unity. He is the author of *Unity—The Only Way* (1971) and *Unity* (1972).

• **LIBERTARIANISM VS. LIBERALISM:** KNBC, the Los Angeles affiliate of NBC-TV, has shown a sophisticated awareness of contemporary political alignments which we hope will catch on elsewhere in the media. On December 14, KNBC's News Conference program featured Professor John Hospers, REASON contributing editor, alongside Harry Ashmore, senior fellow of the Center for the Study of Democratic Institutions, in a discussion of liberal vs. libertarian perspectives on government and the economy. KNBC newscasters Robert Abernathy and Jess Marlow appeared to be generally sympathetic to libertarianism, which they recognized as distinct from conservatism and "appealing" in theory. Ashmore, who came across as a "knee-jerk" liberal, conceded that liberal and Marxist programs have failed wherever they have been tried, but he couldn't comprehend how the solution to the present economic crisis could possibly lie in the direction of reducing the scope of government control over the economy.

Congratulations to KNBC for improving on the standard format which ordinarily lines liberals up against conservatives. Perhaps with more such programs which give prominence to libertarian viewpoints, even die-hard liberals like Ashmore may yet perceive the value of relying on voluntary market approaches rather than coercion as the optimum means of dealing with complex social and economic problems in a society which values freedom.

• **ROUGH GOING FOR POLITICIANS:** We observed in this column last May that a new, tougher approach to political reporting was coming from normally reverent publications. Richard Reeves forecast the trend in a hard-hitting column in *New York* (March 11), entitled "No More Mr. Nice Guy." Reeves predicted the appearance of some tough anti-Teddy Kennedy pieces in normally pro-Kennedy publications (as documented in this month's Viewpoint by David Brudnoy). Now Reeves is at it again: In a rough critique of Gerald Ford entitled "Jerry Ford and His Flying Circus: A Presidential Diary," (*New York,* Nov. 25), Reeves suggests that journalists who refer to Ford in private as "dummy" or "Bozo" treat him with more deference in print. In a detailed piece containing many specific examples of Ford's appearances, Reeves indicated the difficulty of writing about a President who, Reeves claims, habitually says the wrong thing or has nothing to say and says it badly. Commenting on Reeves' article, *Time* (Dec. 2) observed that some journalists have been hard on Ford, but noted the existence of "an unspoken rule among many reporters and editors to write about Ford with a respect that they do not feel." As far as REASON is concerned, we believe in calling politicians as we see them, whatever his or her name—even if they now happen to be sitting in the White House—or recently have been there, or merely are hoping to take up residence there in the future.

• **NIXON TAPES:** Jurors in the coverup trial of Mr. Nixon's former aides have heard a number of interesting things on sections of White House tape which were previously deleted or edited in transcripts released publicly by Mr. Nixon last April 30. In one of the excerpts deleted from Mr. Nixon's transcript, he is heard to refer to himself (in a conversation with John Ehrlichman) as "The king of the mountain." And in another instance, an April 15, 1973 tape showed that Mr. Nixon said former presidential aide Charles W. Colson was "up to his ass" in the scandal. The White House transcript, without disclosing the fact of any editing, quoted Mr. Nixon as saying Colson was "up to his navel." Well, even if Mr. Nixon and his aides prefer not to admit it, we certainly believe that Colson was up to something. ◻

"It's called the division of labor — they make the mistakes and we make the sacrifices."

reason profile

If awards for verve and creativity were given to organizations, then the Free Libertarian Party (FLP) of New York would surely win: their political campaigns and candidates have been consistently energetic, stylish, and media-attracting, a good example being the 1973 New York City mayoral campaign of Fran Youngstein As the first woman ever to run for mayor of New York Ms. Youngstein received more media attention than is usual for third party candidates and she proved equal to the opportunity, garnering favorable coverage from such diverse sources as the *New York Times*, columnist Nicholas von Hoffman, and *Screw* Magazine, receiving a total of 8818 votes (about equal to the combined votes of the other four minor parties). Not bad for a political neophyte.

Born in 1943, Ms. Youngstein has been a resident of New York City most of her life, graduating from the Bronx High School of Science in 1960. At Syracuse University she majored in mathematics, graduating cum laude in January 1964.

In March 1964 she joined IBM as a systems engineer, and is now a staff instructor teaching marketing techniques to new sales employees at IBM's Data Processing Division. Ms. Youngstein's interests include skiing, sunbathing, running for office, gardening, and knitting—"depending on the season"—and she is a principal in Ad Lib, Inc., an advertising and media-oriented enterprise that grew out of the Youngstein for Mayor committee to take advantage of the expertise developed by the participants in that campaign.

Ms. Youngstein's involvement in libertarianism was started by her reading Ayn Rand's works, then attending a conference sponsored by the New York Libertarian Alliance. She became actively involved in the FLP during their early petition drives and in 1972 she founded and was chairperson of the Libertarian Abortion Action Group (LAAG) a now-defunct organization established to work for the repeal of laws forbidding abortion. She was persuaded to accept the mayoral candidacy when it was pointed out to her

FRAN YOUNGSTEIN

that she could accomplish much more towards abortion reform via the public forum available to candidates than she ever could by chairing an organization.

In addition to her work with LAAG and the 1973 campaign Ms. Youngstein was a delegate to both the 1973 and 1974 National Libertarian Party Conventions and was a member of the 1974 Credentials Committee. She is currently a member-at-large of both the FLP State Committee and the LP National Executive Committee.

letters

FLUORIDATION

Over the years I have acquired a certain distaste for ideological package deals, so that it was a rather unpleasant surprise for me to find, in the Publisher's Notes of your November issue, a reference to "government fluoridation of drinking water." One of the issues packaged in this phrase is government control of waterworks – like all issues of government control, a political issue on which libertarians, qua libertarians, may be expected to agree. The other issue, fluoridation of drinking water, is not political but scientific (is there a need for trace amounts of fluorides in human physiology?) and technological (is drinking water the best way of delivering trace minerals to the organism?). There can be no "libertarian" position on these issues. Personally, as (among other things) a biologist and an engineer, I prefer to have my drinking water fluoridated. If I lived in a free society, and could choose between several water contractors, I would patronize those who provided fluoridated water. If the water in my locality were deficient in natural fluorides, I would be willing to pay a premium to have it fluoridated artificially. Another person – perhaps one less familiar with the biological evidence – might prefer water without "chemicals," and conceivably this preference might lead him to prefer distilled or filtered water if fluorides occurred naturally where he lived. In a free society, each of us could have the kind of water he preferred, as long as he was willing to pay for it. In the presence of a government monopoly on water supply, however, a successful antifluoridation campaign would have the effect of forcing me, and others who prefer fluoridated water, to drink water from which fluorides and other essential trace minerals are absent. And, of course, vice versa. So, rather than wage antifluoridation or profluoridation campaigns in the pages of libertarian journals, let us try instead to eliminate the state from the market in water. Need I state the obvious – that the elimination of the state water monopoly will make political campaigns for or against fluoridation a thing of the past?

Adam Reed
New York, NY

We certainly agree with Dr. Reed's philosophical analysis, although it is not clear why he would prefer to drink fluoridated water, since even proponents of fluoride claim that it primarily benefits only children rather than adults. The question whether fluoridated water may be harmful is not completely resolved, but even assuming that it is beneficial to children, it is clear that elimination of the state water monopoly would eliminate the political controversy by allowing consumers to select the type of water they prefer without having to pay for the undesired variety. Our brief reference to "government fluoridation of drinking water" was not intended as an antifluoridation campaign as such, but was mentioned to illustrate stands taken by doctors who oppose socialized medicine which – by calling for the government to act in the sphere of medical decision making – are helping to accelerate government control over health care services. – **M.S.K.**

WRONG TARGET

It appears to me, that the welfare system is the one state system most frequently attacked by conservatives and some people calling themselves libertarians. I do not defend it. However, there is much said on voluntary charity but talk is cheap: people would starve right here in super-America without some welfare service.

I would be the first to agree that the price for these programs and "services" is far too high. But consider the hundred or thousands of families who are impoverished each year by the I.R.S. (known in my neck of the woods as the Infernal Rip-off Squad, among other things), and some of the other state agencies who are not quite so direct. What happens to those people who *have* been impoverished? What *really* happens to the people who turn to public funds for help? Usually, by the time a person turns to public assistance he or she has exhausted all other means, including private charity. I am not suggesting that there are not people who abuse the system but most people reduced to this level of poverty simply have no other choice. It is not surprising that a desperate person will accept whatever help is offered from whatever source.

State welfare agencies are dehumanizing and do not respect the rights of anyone, least of all the people they "serve." If people are herded around like animals and treated like mindless slobs to begin with, it is not reasonable to expect them to behave like refined, dignified and intelligent ladies and gentlemen. If people are constantly told that they are totally devoid of value, do not be too amazed if they try to cut your throat.

Perhaps if libertarians would apply a little thoughtful consideration to this problem a suitable answer could be found. Military aid to foreign governments is the first thing I would suggest as a target to focus on. B-1 bombers, trips to the moon and super-highways also deserve more attention than they are receiving. With more and more people making their fortunes on government contracts, grants and subsidies I think it absurd and ridiculous to attack the people who are virtual slaves to the state-welfare system. Why kick a corpse?

The key is to quit looking for scapegoats (human ones), and start looking for some realistic and reasonable solutions, short-range ones as well as more far-reaching ones. There are no magic answers but the possibility exists for free-market alternatives that can be implemented now. People shouldn't *have* to starve, but where will you turn if and when your time comes? Anyone for a voluntary mutual defense and self-help agency, including an emergency fund for libertarians?

D. E. Bear Sandahl
Seattle, WA

UTOPIAN NOVEL

It might please Paul Varnell (and those who read his review of *After the Good War — REASON,* October 1974) to know that the utopian novel — which he pronounced "now quite dead" — has recently been reborn in Ursula K. Le Guin's *The Dispossessed,* subtitled "An Ambiguous Utopia" (Harper & Row, $7.95). This story of an idealist's attempt to establish communication and understanding between two worlds long separated by historical enmity and fundamental cultural differences, is a masterpiece of fiction. Of special importance to libertarians is the author's depiction of a functioning libertarian society (of the anarchist communal type) through the realistic portrayal of utopian individuals struggling for wisdom and happiness. Libertarians might find much to profit by in Le Guin's idea of utopian society as a *permanent revolution* serving human evolution, and in her statement of the relation between the individual's pursuit of personal destiny and the transformation of society. But the uniqueness of *The Dispossessed* is that it is a utopian novel that is moving drama.

Richard Evers
Seattle, WA

WHO NEEDS GUILT?

I have to take exception to one view stated in Paul Varnell's review [October] of Peter Breggin's *After the Good War.* Whether it is a view Varnell shares or merely one he described I don't know, though I believe the former is true. I am referring to the view that guilt, shame, and anxiety lead to greater individualism and to increased capacity for love, joy, and pride. For additional arguments on this subject, see Walter Kaufmann's *Without Guilt and Justice,* which I have reviewed for *Laissez Faire Review* and for a forthcoming *Invictus.* However, I think my reaction can be given self-contained expression here.

I flatly disagree with the view that guilt (especially) leads to greater individuality or individualism. In my view, guilt originates in submission to an offended higher-status figure (such as a parent), which gradually becomes attached to the *actions* which offend that figure and the *rules* which forbid them. In its origin, therefore, it is a mechanism for producing conformity. It is true that individuality often is linked with guilt—but guilt is a force pushing the person who experiences himself as individual back to the existence of a herd animal. Even when he evolves some new moral code to determine when he should feel guilt, he is still trying to live by a set of rules which all men are supposed to follow. Similarly, love and joy and pride often cause guilt, but guilt characteristically acts to destroy them.

There are, certainly, painful feelings linked with increasing individuality—but these are better called *alienation:* the feeling of being unlike others and unable to do as they expect you to do. Unfortunately, all too many people who are alienated by one set of mores simply become subservient to another (such as those of libertarianism).

My disagreement might be put in perspective by seeing it as part of a philosophical disagreement over the nature of autonomy best exemplified by the contrasting ideas of Kant and Nietzsche. For Kant, autonomy consisted in obedience to a self-defined universal moral law—and man is centrally something apart from the world, realizing the powers of Reason and Will which exist in him alone by his obedience. For Nietzsche, man is wholly part of this world, and 'autonomous and moral are opposites'. In this, libertarians and Objectivists are solidly on the Kantian side, seeing freedom (psychological and political) in obedience to a set of rules which one has individually ratified as universal and impartial (be rational, do not violate rights, etc.); one may contrast the view (which I adhere to) that all values are personal, arising out of other personal values, and that the attempt to treat certain values as self-sufficiently true is a form of dishonesty with oneself, serving to cover up such actual motives as subservience, the desire to be loyal to some group, the fear of making important decisions (expressed by treating them all as made already, through reason and/or arbitrary subjective commitment), the impulse to conform. I notice that Varnell (and the people who interviewed Szasz) is very concerned with being a 'full human being'—this is one more example of being dominated by groupthink, seeking to live as a member of the group 'human beings' and to realize its principal characteristics rather than to live as, and for oneself, defined by one's personal values—which are themselves always subject to redefinition. Having a better existence 'as a member of [the human] species' is not at all the same thing as having the kind of life I want to have.

William Stoddard
Bonita, CA

RIGHTS OF CHILDREN

I commend REASON for its November issue, whose reviews were uniformly well-spoken and insightful—with one exception: Thomas Johnson's review of *The Twelve-Year Sentence,* in which he proposes an extraordinary theory of rights.

Johnson asserts that "children, as dependent beings, possess rights which are not held by older independent adults. Since a child is . . . in a physical and mental condition that will not allow him . . . to provide for his own needs, he does have the right to actual goods and services which are necessary for his survival . . . ." Johnson further contends that his statements

are logically derived from libertarian ethical theory. In this, he is wrong, for Johnson entirely misconceives the libertarian derivation of rights.

Although rights have meaning and application only in the context of society, they must be derived from the requirements of an individual person living in an isolated state (i.e., separate from other persons). In order to survive and prosper, such a person must act to acquire nourishment and to change their environment. Such action is possible only if the person can freely exercise their volition. Only in a condition of *society* is it possible for the free exercise of volition to be disrupted—by the coercive intervention of others. If a society adheres to and enforces the moral principle that each person's life should be inviolate from the intervention of others, then *rights* are established. This means that rights function only as a *prohibition* on certain kinds of action (i.e., coercion); they cannot *compel* any kind of specific action on the part of others. In short, one has the basic right to be free from interacting with society either in whole or in part—and nothing more!

Because there can be nothing more, Johnson's thesis of "rights to dependence" is without foundation. This is not the first instance where Johnson has misconceived the function of rights. In his letter in the September 1972 issue, he argues against abortion on the grounds that a fetus has a right of life coextensive with the like right of developed human beings. Even *if* a fetus were to be adjudged human, this fails to recognize that the right of life can only mean the right of being actively responsible for one's own existence, free from the interference of others—but *not* the "right" of parasitism (as with a fetus) *or* the "right" of coercive dependence (as with a child, in Johnson's theory).

The principle at stake in this matter is that human beings have maximum freedom and self-responsibility in an *isolated state,* a condition that it is the function of rights to preserve in society. If Johnson cannot fully accept this principle of freedom *and* self-responsibility, he ought to reconsider his avowal of libertarianism.

But not only is Johnson's thesis bankrupt theoretically, it is monumentally unworkable! If the primary consideration is "dependence", how and why are we to define the term in such a way that *children* are the exclusive beneficiaries? How are we to define "necessary for survival", when it may be argued that anything *beyond* a cave, a loincloth, and a haunch of meat are luxuries? How do we define "education"—and by *whose* theory do we define it? In essence, how are we to give *objective* meaning to terms that are inherently qualitative and subjective?

And it is not even true that children are inescapably "dependent", as Johnson implicitly presumes. Only the cultural straitjacket of contemporary society prevents children from attaining to independence faster than they normally do. Furthermore, I thoroughly reject Johnson's pessimism that a free society would be so callous and indifferent to children that it would ever be necessary to institute such "rights to dependence".

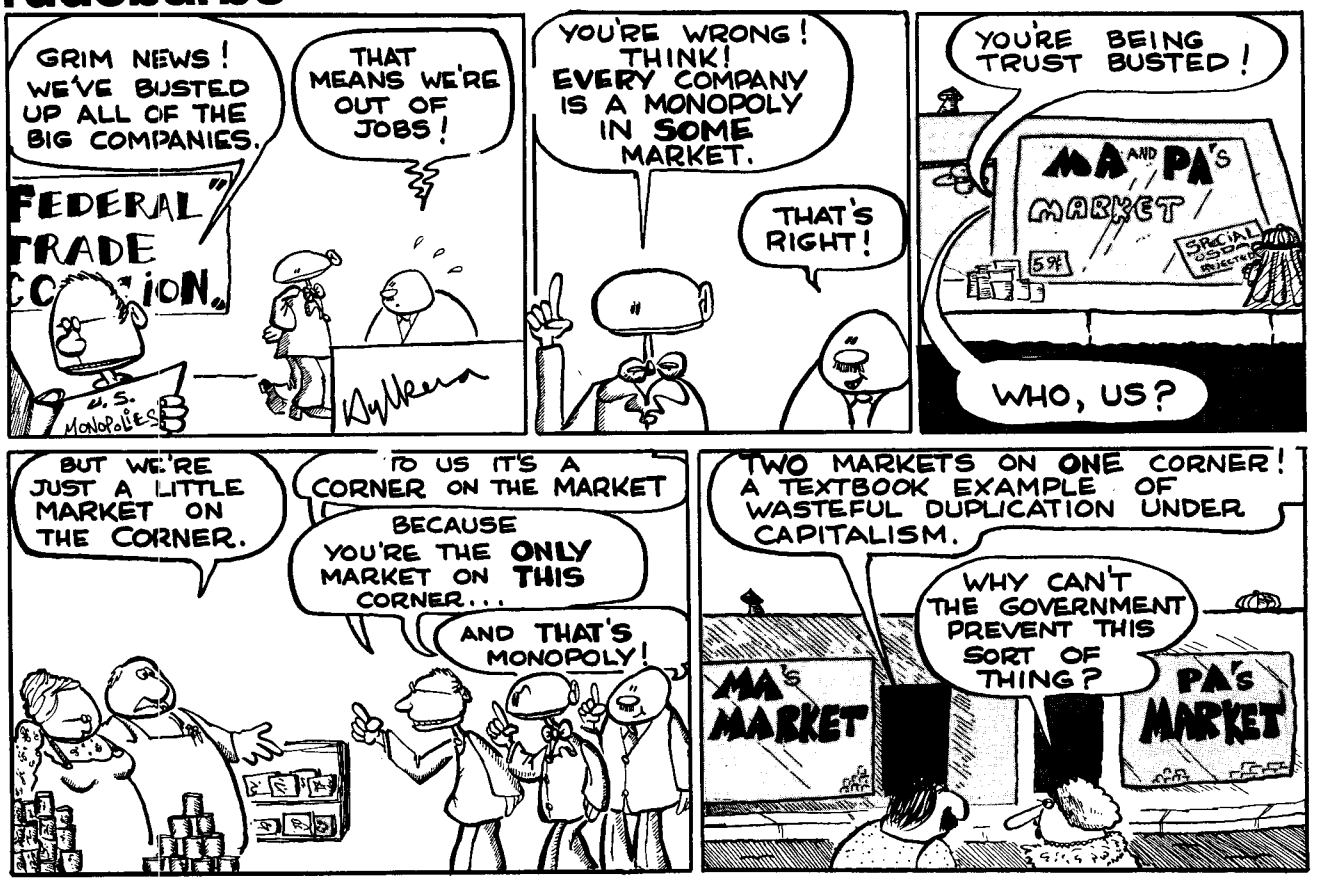
The implications of Johnson's proposal are grave, inasmuch as they would entail *proliferation* of state oppression in the name of an altruistic appeal to the needs of children. Lapses of this kind should not go unremarked. If libertarians are willing to subordinate their advocacy of a consistently radical theory of rights to emotional rationalizations of conventional cultural attitudes, then the movement will be doomed to a compromise of its principles—hence, to eventual failure.

Mike Dunn
Seattle, WA

PROFESSOR JOHNSON replies: What Mike Dunn and many other libertarians (and Objectivists etc.) fail to consider when dealing with the issue of rights is the metaphysical fact that human beings go

rudebarbs

RANDALL K HYLKEMA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WHY CAN'T THE GOVERNMENT PREVENT THIS SORT OF THING?
MA'S MARKET
PA'S MARKET

through two very definite stages of development during their lives—a *dependent stage* which, by gradual transition, leads to an *independent stage*—and that one must consider both of these stages if one is to construct a fully rational (i.e., moral) concept of rights.

Rights are *not* "derived from the requirements of an individual person living in an isolated state" (it makes no difference if one is isolated or among millions, although rights can be *protected* only in a societal situation), and it is *not* the case that "rights function only as a prohibition on certain kinds of action." *Rights are determined solely by man's nature,* nothing more, nothing less. (And it is only humans that possess rights. Rights do not pertain to other organisms, neither plants nor animals.)

Tragically, in her article entitled "Man's Rights", Ayn Rand discusses the concept of rights only as it would apply to *independent* humans (except for the general definitions). She states that "The concept of a 'right' pertains only to action—specifically, to freedom of action." But, unavoidably, a very young human (a baby, for example) is simply unable, *by his nature,* to take the action necessary to sustain his life and must therefore depend on older humans for certain requirements. But Ayn Rand does correctly note that "Rights are conditions of existence required by man's nature for his proper survival." And it is a fact that these "conditions" are entirely different when a human is quite young (both before and after birth) than they are at a later, independent stage.

I don't believe that anyone would argue with the fact that the right to life is *the basic right* and the "source of all rights" (Rand). *Every human being* (as determined by his *biological* nature) has the right to life, whether this human is living in an aquatic environment in the amniotic sac within the uterus of the mother—a *nonparasitic* (a parasite is an organism of *one* species living in or on an organism of *another* species) dependent phase of development which all humans have to experience—or existing in a gaseous environment outside the mother. And it is this right to life that must be protected above all other rights.

What Mike Dunn, and others, would choose to do is merely leave to chance (to whim) the protection of the right to life (and it subsuming rights) of young humans who are not capable, either mentally or physically, of sustaining their own lives. He simply hopes that in a free society that people would not "be so callous and indifferent to children." But one does not leave to chance the protection of such a vitally important right as that of the right to life (or any other right), and thus the inevitable need for a government. (Dependent humans, whether unborn or born, are neither physically nor economically capable of purchasing protection of their rights from a private protection agency—thus anarchism is simply untenable, for this as well as other reasons.)

Yes, young dependent humans, because they possess the right to life, but are not endowed by nature with the capability of sustaining their lives, do possess the right to actual goods and services to be provided by those who, by their own free choice, brought these humans into existence. It is perhaps unfortunate that humans, *by nature,* must inexcapably begin their lives, both in-utero and ex-utero, as dependent beings. But *this is the nature of the human,* and it is to nature that one must always turn in the search for the fundamental truth concerning rights.—**T.J.**

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. They should be kept as brief as possible and are subject to condensation. Letters submitted for publication in this column should be typed, double-spaced. Send letters to REASON, P.O. Box 6151, Santa Barbara, CA 93111.

Reason's Letter of the Month

The letter below, by subscriber David R. Olive, appeared in the November 17 1974 issue of the *Knoxville (TN) News-Sentinel:*

MASSAGE PARLOR ORDINANCE INFRINGES ON INDIVIDUAL RIGHTS

The last sentence of your Nov. 3 editorial on massage parlors was an extraordinary statement. You said, "The proposed ordinance's requirements and restrictions may be discriminatory and are clearly legalized harassment—some of them may not withstand court challenge—but we know of no more effective way to attack the problem." Most supporters of the ordinance would never face up to the true character of its provisions. You, however, acknowledge that they constitute government harassment, yet you support the ordinance anyway. I salute your candor.

On the other hand, supporting this ordinance, especially while understanding the nature of its provisions, demonstrates a severe disregard for the freedom of those who operate or frequent massage parlors. You speak of "the problem"; but what problem with massage parlors requires government action? Does the operation of a massage parlor involve a violation of anyone's freedom? Clearly not. A service is offered for sale; some people choose to buy that service, others do not. The same applies to any other business (some of which offer goods rather than services).

"The problem" is nothing more than this: Some people disapprove of the service offered and they are offended by the parlors. But what sort of basis is this for government intervention? What activity might not become an object of government repression if this criterion was sufficient to justify Leviathan in acting? Whether a person is offended by something depends less on that thing itself than on the person and his attitude toward it. Thus what offends one person may be looked on indifferently, or even favorably, by another. And the great variety of human attitudes insures that the number of things found offensive by someone or other will be very large indeed.

Are all these things, then, to be legitimate targets of government coercion? May those who have political power suppress any activity of which they disapprove? If so, then freedom is a mere illusion. If freedom is anything, it is the absence of human interference with the use of one's rightful property (including one's own person) and with voluntary associations among people. The establishment and operation of a massage parlor does not constitute such interference; the action being taken against Knoxville's massage parlors does. Anyone who believes that others should be free must tolerate the former and oppose the latter.

I don't expect the City Council to reverse itself on the massage parlor ordinance because of this letter. I do hope it will lead some people to reflect on the power that politicians—and, indirectly, those who have influence with politicians—have over everyone else. People should at least realize that that power is incompatible with their freedom and that anyone who uses it belies any claim he may make to be an advocate or defender of freedom.

David Olive
Knoxville, TN

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, presenting libertarian views on topics of current interest. Each month REASON selects the most notable published letter for republication in this space, and honors the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters to Reason Letter of the Month, Box 6151, Santa Barbara, CA 93111.

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ANNOUNCEMENTS

LIBERTARIAN PARTY OF OREGON CONVENTION AND BANQUET. Sandy Cohen, speaker. Jan. 25th, Congress Hotel, Portland. OLP, P.O. Box 42381, Portland, OR 97242. 777-4044 evenings.

BOOKS

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PERSONAL

OBJECTIVIST-LIBERTARIAN MAN, 35, Springfield, Mass. area, seeks woman with similar value system. Write: Ed Rummel, 7 Rice Drive, Wilbraham, MA 01095, or call: 596-9308.

LAISSEZ-FAIRE FEMINISM! Making it worth *their* while to cease discrimination against *us* through capitalism! Joan Goltz, INTERNATIONAL FEMINISTS FOR LIFE, Box 5631, Columbus, OH 43221, USA.

WICHITA AREA libertarians, Objectivists, anarchists, et al. interested in social/education activities and/or Kansas Libertarian Party, please contact Bob and Lin Zinser, 4000 East 17th, #226, Wichita, KS 67208.

OBJECTIVIST-LIBERTARIAN MALE, Southern California area, (S.F.V.) 29, 5'9", 150#, student, would like to meet slim young lady with similar interests. Reply REASON, Box JSK

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THE "DESTROYER" DOES NOT EXIST. The Laissez-Faire Enclave does. For information send $2.00 cash to REASON, Box GS.

WISH TO REACH REASON READERS. GREEBE, 1408 29 Str. N.W., Calgary, Alberta, Canada.

CONTROL YOUR OWN FERTILITY without recourse to governmental family planning agencies. "Women In Power" booklet, 60c. *Salamander,* 903A Bloor St. W, Toronto, Ontario, Canada.

OBJECTIVIST ORIENTED PROFESSIONAL MAN, 37, with some physical disability caused by multiple sclerosis, seeks female roommate and companion with similar philosophy. Wish to reside on San Francisco peninsula and evolve a mutually satisfactory relationship. Reply REASON, Box WW.

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EMPLOYMENT

I'D LIKE TO STUDY, TEACH OR RESEARCH POLITICAL SC. anywhere in the USA. I am Argentine, male, 32, REASON Foreign Correspondent (see Oct. 71, May 72, Feb. & June 73, March & Oct. 74 issues). Presently practising lawyer and part-time Instructor on Pol. Sc. at University of Buenos Aires, with PhD. studies on same discipline and U. thesis to be completed next January. Author of three technical papers on Congress's role and Constitutional Reform. Local conditions, both in the labor market and the political situation are not bright. I am ready to migrate if I am offered interesting work, somehow related to my main interests: social sciences in general, politics in particular, preferably but not exclusively in the academic field. Please write: N. G. Molinelli, Carabelas 344, Buenos Aires, Argentina.

LAW SCHOOL FEBRUARY GRADUATE with mathematics and psychology background seeking employment in research or teaching anywhere. Alan Kaufman, 9016 Lamon, Skokie, IL 60076.

WANTED: Libertarians with knowledge or skill in the following areas: carpentry, masonry, mechanics, farming, surveying, geology, chemistry, metallurgy, physics, medicine, pharmacology, engineering, realty, animal husbandry and Montessori. Send qualifications to Laissez-Faire Enclave. REASON, Box GS.

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THERE'S MORE TO FREEDOM THAN SLOGANS

Everybody claims to be in favor of "freedom." Yet how many people really understand what it's all about? Consider the businessman who's all for free competition . . . unless his competition is named IBM or is Japanese. Or the mayor who wants plentiful transportation . . . but outlaws jitneys. Or the military leader who wants to defend freedom . . . using conscripted labor. Or the citizen who's all for free speech and press . . . so long as the material isn't "obscene." Each wants freedom for the things he considers important, but at the expense of somebody else's freedom.

At REASON Magazine, we believe in freedom for *everyone.* With Herbert Spencer and John Stuart Mill, we believe a person should be free to take any action, so long as it does not interfere with the liberty of anyone else. We call this point of view *libertarianism.* It is unabashedly individualistic, capitalistic, and (we think) reasonable. Moreover, this voluntaristic, free market approach points the way toward solutions to many of the problems created by the unbridled growth of Big Brother statism — like war, taxation, the energy crisis, and inflation.

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- Unmasking the Guilt Triangle Theory of Inflation
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- The Pay-What-You-Want-Tax Plan
- The Tortuga Freeport Project
- Let's Establish a New Gold Standard
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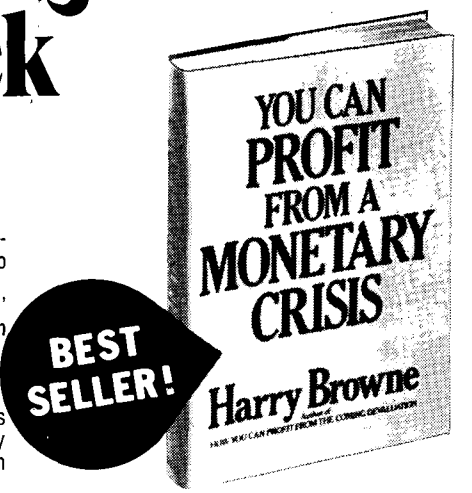

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